



**ISO 9001:2015
CERTIFIED**

**Financial Statements
for the year ended
June 30, 2022**

Shahtaj Textile Limited

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BOARD OF DIRECTORS

Mr. Muneer Nawaz	Chairman
Mr. M. Naeem	Chief Executive
Mr. Abid Nawaz	
Mr. Aamir Amin (NIT)	
Mr. Farooq Hassan	
Mr. Syed Nadeem Ali Kazmi	
Mr. Toqueer Nawaz	
Mrs. Sadia Mohammad	
Mr. Muhammad Usman Khalid	
Lt. Col. (Retd.) R.D. Shams	

COMPANY SECRETARY

Mr. Jamil Ahmad Butt, FCMA

AUDIT COMMITTEE OF THE BOARD

Mr. Aamir Amin	Chairman
Mr. Muneer Nawaz	Member
Mr. Toqueer Nawaz	Member
Mr. Muhammad Usman Khalid	Member
Mr. Abid Nawaz	Member
Mr. Jamil Ahmad Butt, FCMA	Secretary

**HUMAN RESOURCE AND
REMUNERATION COMMITTEE OF
THE BOARD**

Mr. Farooq Hassan	Chairman
Mr. Muneer Nawaz	Member
Mr. M. Naeem	Member
Mr. Toqueer Nawaz	Member
Mrs. Sadia Muhammad	Member
Mr. Jamil Ahmad Butt, FCMA	Secretary

AUDITORS

Yousuf Adil.
Chartered Accountants.
Cavish Court, A-35, Block 7 & 8 KCHS,
Shahrah-e-Faisal, Karachi 75350.

BANKS

Bank Alfalah Limited
United Bank Limited
Meezan Bank Ltd.
The Bank of Punjab
MCB Bank Limited
Faysal Bank Limited
National Bank of Pakistan

LEGAL ADVISOR

Mr. Ras Tariq Chaudhary
30-Mall Mansion
The Mall
Lahore.

HEAD OFFICE

Shahnawaz Building, 19-Dockyard Road,
West Wharf, Karachi-74000
Ph: 32313934-8, 32312834, 32310973
Fax: 32205723, 32310623
Website: www.shahtaj.com

REGISTERED OFFICE

27-C Abdalian Co-oporetive
Hosing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

MARKETING OFFICE

27-C Abdalian Co-oporetive
Hosing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

FACTORY

46 K.M. Lahore/Multan Road
Chunian Industrial Estate
Bhai Pheru, Distt. Kasur, Punjab.
Ph: (049) 4540430-32, 4540133, 4540234
Fax: (049) 4540031

SHARE REGISTRAR

Jwaffs Registrar Services (Pvt.) Ltd.
Suite # 407,408, 4th Floor, Al-Ameera Centre,
Shahrah-e-Iraq, Near Passport Office,
Saddar Karachi.
Tel: 35662023-24 Fax: 35221192

To,

Notice is hereby given to all the shareholders of SHAHTAJ TEXTILE LIMITED that the 33rd Annual General Meeting of the Company will be held on Friday, the 28th October, 2022, at 11:30 AM at PC Hotel, Shahrah-e-Quaid-e-Azam, Lahore to transact the following ordinary business:

1. To confirm the minutes of last Annual General Meeting held on 27th October, 2021.
2. To consider and adopt audited Financial Statements of the Company for the year ended June 30, 2022 together with Auditors' and Directors' Reports thereon.
3. To approve a cash Dividend @ 130% i.e. Rs.13.00/- per share for the year ended June 30, 2022 as recommended by the Directors.
4. To appoint Auditors of the Company for the year 2022-2023 and to fix their remuneration. The present Auditors M/s. Yousuf Adil, Chartered Accountants, being eligible, have offered themselves for reappointment.
5. To transact any other ordinary business with the permission of the Chair.

By Order of the Board



(JAMIL AHMAD BUTT)

Company Secretary

Karachi: September 28, 2022

Notes:

1. The share transfer books of the Company will remain closed from 19th October, 2022 to 29th October, 2022, (both days inclusive).
2. Members holding shares physically and holders of Accounts and Sub-accounts for Company's shares in Central Depository Company of Pakistan Limited, who wish to attend this Annual General Meeting may do so by identifying themselves through their original CNIC/Passport and providing a copy thereof.
3. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.
4. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

5. DEDUCTION OF INCOME TAX

As per the provisions of Section 150 of the Income Tax Ordinance, 2001 ("Ordinance") different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. The Current withholding tax rates are as under:

- (a) For the persons whose names are appearing on ATL: 15%
- (b) For the persons whose names are not appearing on ATL: 30%

All the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of the Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of dividend, otherwise tax on their Dividend will be deducted @ 30% instead of @ 15%.

The Corporate Shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective Participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or Company's Share Registrar and Share Transfer Agent, M/s. JWAFFS REGISTRAR SERVICES (PVT) LIMITED.

The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective Folio Numbers.

As per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide valid Tax Exemption Certificates to our Shares Registrar; otherwise tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Ordinance.

For shareholders holding their shares jointly, as per the clarification issued by the FBR, withholding tax will be determined separately on 'Filer / Non-Filer' status of Principal shareholder as well as Joint-holder(s) based on their shareholding proportions. All shareholders who hold shares jointly are therefore requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to the Registrar and Shares Transfer Agent in writing as follows:

Folio / CDC Account No	Total Shares	Principal Shareholder		Joint Shareholder(s)	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

6. ELECTRONIC DIVIDEND MANDATE

Under the provisions of Section 242 of the Companies Act, 2017 it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly in to bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested to provide details of the bank mandate specifying:

Title of Account, Account Number, Bank Name, Branch Name and Code, IBAN Number.

In case shares are held in physical form, please send this information duly signed along with a copy of CNIC to the registrar of the Company M/s. JWAFFS Registrar Services (PVT) Limited.

In case shares are held in CDC then Electronic Mandate Form must be submitted directly to shareholder's broker participant/CDC account.

In case of non-receipt of the information the company will be constrained to withhold payment of dividend to such shareholders.

7. ATTENDING THE MEETING THROUGH VIDEO LINK

Shareholders interested in attending the Annual General Meeting (AGM) through video link facility ('Zoom' which can be downloaded from Google Play or Apple App Store) are requested to get themselves registered with the Company Secretary office at least two (02) working days before the holding date of AGM at jamilbutt@shahtaj.com by providing the following details:

Name of Shareholders	CNIC No.	Folio No.	Cell No.	Email Address
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- Upon receipt of the above information from shareholders. The Company will send the login details at their email address.
- On the AGM day, the shareholders will be able to login and participate in the AGM proceedings through their smart phone or computer devices from their any convenient location.
- The login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after identification and verification process.

8. CONSENT FOR VIDEO CONFERENCE FACILITY

Members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 7 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days prior to the date

of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

I/We, _____ of _____, being a member of Shahtaj Textile Limited, holder(s) of _____ ordinary share(s) as per Registered Folio/CDC account No. _____ hereby opt for video conference facility at _____.

9. CONVERSION OF PHYSICAL SECURITIES INTO BOOK ENTRY FORM

As per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book entry from in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017. Further, vide its letter dated March 26, 2021, SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry form.

In light of the aforementioned directives, the Shareholders having physical shareholding are encouraged to open CDC account with CDS participant/CDC Investor Account Services and convert their existing physical securities into book entry form.

OUR VISION:

To attain leadership position in the textile sector in Pakistan.

OUR MISSION:

To make the name of Shahtaj synonymous with Quality by striving for the highest level of efficiency, productivity, profitability, customers satisfaction, congenial employees relations and profit sharing with shareholders.

OVERALL CORPORATE STRATEGY:

To develop and market products in the high-end of the textile sector through effective utilization of men, material and machines by encouraging, supporting and rewarding the employees, eliminating any waste, reducing costs aiming at establishing **SHAHTAJ TEXTILE LIMITED** as the most trusted, efficient and successful name among all stake-holders.

1. The directors will ensure implementation of Company's corporate strategy, keeping in view Company's vision and mission and complying with its Memorandum and Articles of Association.
2. They will provide due guidance and discharge their duties to the best of their ability.
3. They will attend meetings of Board of Directors, Audit Committee of the Board, any other Committee and General Meeting of Company.
4. They will disclose their interest in any contract and appointments of the company officers and ownership of company shares and any changes therein.
5. They will not engage in any business competing with the company's business.
6. They will not allow contribution by the company to any political party or for any political purpose to any individual or body.
7. They will ensure maintenance and upkeep of company property, other assets and its record.
8. They will strictly observe all laws of land in running of the company affairs.
9. All company employees will perform their duties faithfully, truly and to the best of their judgment, skill and ability according to company rules and policies.
10. Company employees will not divulge any information about the company or otherwise which comes to their knowledge during the course of employment to any person not connected therein either within the company or outside.
11. Company employees will not involve in any indiscipline, misbehavior or misconduct, dishonesty, theft or fraud.
12. They will refrain from making commitments on behalf of the company beyond their delegated authority or detrimental to the interest of the company.
13. They will not engage directly or indirectly without the permission of the company in any other business or paid occupation while in the service of the company.
14. They will not give or take bribes or any illegal gratifications.
15. They will be punctual in attendance.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Shahtaj Textile Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2022, the Board's overall performance and effectiveness has been assessed as satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as satisfactory is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitoring financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.



(Muneer Nawaz)
Chairman

Karachi: September 28, 2022

شاہ تاج ٹیکسٹائل لمیٹڈ کے بورڈ آف ڈائریکٹرز کا کوڈ آف کارپوریٹ گورننس کے تحت درکار سالانہ جائزہ لیا گیا۔ اس جائزہ کا مقصد اس امر کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کو کمپنی کے مختص کردہ مقاصد کے تناظر میں پرکھا جاسکے۔

مالی سال 30 جون 2022 کے لئے بورڈ کی مجموعی کارکردگی اور افادیت اطمینان بخش قرار پائی گئی۔ بہتری ایک مستقل جاری رہنے والا عمل ہے جس کی مدد سے عملی منصوبہ بندیوں کو ممکن بنایا جاتا ہے۔ مجموعی جائزے کے اطمینان بخش قرار پانے کی بنیاد ضروری اجزاء کے انفرادی جائزے پر ہے جن میں دورانہ پیشی، نصب العین اور اقدار، حکمت عملی کے بنانے میں کردار، پالیسیز کی تشکیل، کمپنی میں جاری کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالی نگرانی، بورڈ کے کاروبار کو پورا کرنے میں ملازمین کے ساتھ منصفانہ سلوک اور سرگرمیوں کو موثر انداز سے پورا کرنا شامل ہیں۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو اپنی اور کمیٹیوں کے اجلاسات کے لئے ایجنڈا مع ضروری دستاویزات بروقت موصول ہوتے رہے اسی طرح کاروائی رپورٹس بھی۔ بورڈ اپنی ذمہ داریوں کی موثر طریقے سے انجام دہی کے لئے باقدگی سے اجلاس کرتا رہا۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بھی اہم فیصلوں میں برابر شامل ہوتے رہے۔

Memorandum

منیر شاہنواز

چیئر مین

کراچی مورخہ 28 ستمبر، 2022

Directors are pleased to present the 33rd Annual Report of the Company for the Financial Year ended June 30, 2022.

Principal Activity

The principal business of the Company is production and sale of textile goods.

Financial Results and Prospects

Alhamdulillah, this year the Company operations have shown remarkable results. Despite fierce competition with Local and International competitors, your Company has managed to post a net sales of Rs. 7.456 billion with an increase of 51% as compared to last year, highest ever achieved by the Company since the start of its operations, mainly on account of increase in sales price of fabric.

Higher raw material cost and energy cost resulted in increase in cost of sales to 90.17% for the current year from 88.86% of sales during last year. Due to increase in cost of sales, Gross Profit (GP) rate for the year came to 9.83% as compared to 11.14% reported last year. Despite the above mentioned impediments, your Company has managed to generate record-breaking profits of Rs.300.049 million, on the back of higher sales value, with an EPS of Rs 31.06 in comparison to Rs 22.46 reported during last year.

The significant portion of the cost of goods manufactured consists of Raw material, which is 87.5%, and power cost is 6.2%, which has always been the concern for the management to control.

Due to supply chain constraints, depreciating rupee value and increase in local / global demand for textile products, the raw material prices especially the yarn prices took a sharp rise which was the major reason for increase in raw material cost in the current year.

Increase in RLNG rates from USD 6.5 per MMBTU to USD 9 per MMBTU, along with abrupt and uninformed curtailment of RLNG starting from December 2021, increased the overall power cost significantly.

Increase in distribution costs is mainly attributable to higher export sales and increase in local freight charges and the sea freight owing to shipping supply constraints and increase in oil prices. Furthermore, the inflationary pressure has also resulted in an increase in the administrative expenses in this year as compared to last year.

The Company's working capital requirement substantially increased during the year on the backdrop of higher stocks value, piling up of finished goods inventory due to delay in lifting by the buyers and built-up of trade receivables in the wake of higher sales value. Thus, Finance cost has gone up by 82% from Rs. 47.411 million last year to Rs. 86.455 million for the current year owing to the combined impact of a big rise in working capital and gradual hikes in interest rates.

Other income increased significantly mainly because of exchange gain due to currency devaluation.

The 49 looms imported under BMR plan, using the Temporary Economic Refinance Facility (TERF) offered by the Government, have been installed successfully and will further help in achieving higher efficiency and better cost control.

Trend of elevated raw material and fuel costs is likely to persist during the coming year leading to a further increase in production costs. Moreover, curtailment of gas, political instability, uncertain taxes and levies, escalating sea freights and tight availability of vessels, higher inflation rates, policy rate hikes and fluctuation in exchange rate are the key challenges for the industry in the coming period.

Efforts will be continuing as always for more improvement.

Dividend

To share the profits with the shareholder, Directors are pleased to recommend a 130% cash dividend for this year. This payment is 41.85% of after tax profit of the Company for the year 2021-22. A sum of Rs. 150 million is proposed to be transferred to general reserve.

Principal Risks and Uncertainties

The Company is exposed to the following risks and uncertainties: -

- Increase in prices of raw materials
- Fluctuating demand of local and international market
- Fluctuation in exchange rates
- Energy availability and cost
- Market disruption due to changes in tax laws and regulations to widen the tax net

Company takes these risks as a challenge and seeks to minimize potential adverse effects of these risks on the financial performance.

Internal Financial Controls

A system of sound internal control is established and prevailing in the Company. The system of internal control is designed in a manner to ensure achievement of Company's business objectives and operational efficiency, reliable financial reporting and compliance with various statutory laws.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company were observed between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Outstanding Statutory Payments

All outstanding payments are normal and of routine nature.

Code of Corporate Governance

Company is cognizant of all requirements of Code of Corporate Governance and is complying with the same. A Review Report by external auditors on Statement of Compliance is annexed.

Corporate and Financial Reporting Statements

- The financial statements, prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

Six Years Review

Key operating and financial data and ratios of the company for the last six years are annexed.

Board and its Committees

The total number of directors are ten as per the following:

- Male: 9
- Female: 1

The composition of the board is as follows:

Category	Names
Independent Directors	Mr. Farooq Hassan Mr. Aamir Amin (NIT) Mr. Syed Nadeem Ali Kazmi
Other Non-Executive Directors	Mr. Muneer Nawaz Mr. Toqueer Nawaz Mr. Muhammad Usman Khalid Mr. Abid Nawaz
Female Non-Executive Director	Mrs. Sadia Muhammad
Executive Directors	Mr. Muhammad Naeem Lt. Col(Retd.) Rashiduddin Shams

The Board has formed committees comprising of members given below:

a) Audit Committee

- Mr. Aamir Amin (Chairman)
- Mr. Muneer Nawaz
- Mr. Toqueer Nawaz
- Mr. Muhammad Usman Khalid
- Mr. Abid Nawaz

b) HR and Remuneration Committee

- Mr. Farooq Hassan (Chairman)
- Mr. Muneer Nawaz
- Mr. Muhammad Naeem
- Mr. Toqueer Nawaz
- Mrs. Sadia Muhammad

Directors' Remuneration Policy

The Company does not pay remuneration to non-executive directors except fee for attending the meetings. However, the Company may repay to any director all such reasonable expenses as he/she may incur in attending meetings of the Board or of its committees or the General meeting or which he may otherwise incur in or about the business of the Company.

The remuneration of Chief executive, full time working directors or any other director for performing extra services is determined by the Board in accordance with the provision in the Company's Articles.

The information on remuneration of Directors and CEO during 2021-22 is disclosed in notes to the Financial Statements.

Pattern of Shareholding

The pattern of shareholding as on 30th June, 2022 listing the required details, is annexed.

Auditors

The Audit Committee of the Board has recommended the appointment of present Auditors, M/s. Yousuf Adil., Chartered Accountants, as Auditors of the Company for the year 2022-2023. Board agrees to this recommendation.

Corporate Social Responsibility

The detailed report on Corporate Social Responsibility is annexed and form integral part of this report.

Appreciation

Directors acknowledge with thanks the hard work put in by all the employees of the Company.

for and on behalf of the Board of Directors



(M. NAEEM)
Chief Executive



(MUNEER NAWAZ)
Chairman

Karachi: September 28, 2022

ڈائریکٹر زمرست کے ساتھ جون 2022 کو ختم ہونے والے مالی سال کے لئے کمپنی کی تینتیسویں سالانہ رپورٹ پیش کرتے ہیں۔

بنیادی کاروبار:-

کمپنی کا بنیادی کاروبار ٹیکسٹائل مصنوعات کی پیداوار اور فروخت ہے۔

مالی حسابات اور امکانات:-

الحمد للہ، اس سال کمپنی کے آپریشنز نے شاندار نتائج دکھائے ہیں۔ مقامی اور بین الاقوامی حریفوں کے ساتھ سخت مقابلے کے باوجود، آپ کی کمپنی نے گزشتہ سال کے مقابلے میں 51 فیصد کے اضافے کے ساتھ 7.456 بلین روپے کی خالص فروخت حاصل کی ہے، جو کمپنی کے اپنے آپریشنز کے آغاز سے لے کر اب تک سب سے زیادہ ہے۔ جس کی بنیادی وجہ فیہرک کی قیمت فروخت میں اضافہ ہے۔

خام مال اور توانائی کی لاگت میں اضافے کے نتیجے میں فروخت کی لاگت گزشتہ سال کے 88.86 فیصد سے بڑھ کر رواں سال کے لیے 90.17 فیصد ہو گئی۔ فروخت کی لاگت میں اضافے کی وجہ سے، سال کے لیے مجموعی منافع (GP) کی شرح 9.83 فیصد ہو گئی جو گزشتہ سال 11.14 فیصد تھی، مذکورہ بالا رکاوٹوں کے باوجود، آپ کی کمپنی نے 300.049 بلین روپے کا ریکارڈ منافع حاصل کیا ہے۔ زیادہ سیلز ویلیو کی وجہ سے، فی حصص پچھلے آمد سال کے دوران رپورٹ کردہ 22.46 روپے کے مقابلے میں 31.06 روپے رہی۔

تیار شدہ سامان کی لاگت کا اہم حصہ خام مال پر مشتمل ہے، جو کہ 87.5 فیصد ہے، اور بجلی کی قیمت 6.2 فیصد ہے، جسے کنٹرول کرنا انتظامیہ کے لیے ہمیشہ مسئلہ رہا ہے۔ سپلائی چین کی رکاوٹوں، روپے کی قدر میں کمی اور ٹیکسٹائل مصنوعات کی مقامی/عالمی مانگ میں اضافے کی وجہ سے، خام مال کی قیمتوں خاص طور پر یران کی قیمتوں میں زبردست اضافہ ہوا جو کہ موجودہ سال میں خام مال کے خرچ میں اضافے کی بڑی وجہ تھی۔

دسمبر 2021 سے شروع ہونے والی RLNG کی اچانک اور بغیر اطلاعی کنوٹی کے ساتھ RLNG کی قیمتوں میں USD 6.50 فی MMBTU سے USD 9 فی MMBTU تک اضافہ سے توانائی کی مجموعی لاگت میں نمایاں اضافہ ہوا۔

ڈسٹری بیوٹن لاگت میں اضافہ بنیادی طور پر زیادہ برآمدات اور مقامی فریٹ چارجز اور سمندری فریٹ میں اضافے کی وجہ سے ہے جس کی وجہ شپنگ سپلائی میں رکاوٹ اور تیل کی قیمتوں میں اضافہ ہے۔ مزید برآں، مہنگائی کی وجہ سے گزشتہ سال کے مقابلے میں اس سال انتظامی اخراجات میں اضافہ ہوا ہے۔

کمپنی کی ورکنگ کیسپیٹل کی ضرورت میں سال کے دوران اسٹاک کے حجم میں بڑھتی ہوئی قیمت، خریداروں کی جانب سے مال اٹھانے میں تاخیر اور زیادہ سیلز ویلیو کی وجہ سے قابل وصول رقم میں اضافہ کی وجہ سے بہت اضافہ ہوا۔ جس کی وجہ سے، مالیاتی لاگت 82 فیصد بڑھ گئی ہے۔ گزشتہ سال کے 47.411 بلین روپے کے مقابلے میں ورکنگ کیسپیٹل میں بڑے اضافے اور شرح سود میں بتدریج اضافے کے مشترکہ اثرات کی وجہ سے رواں سال کے لیے یہ خرچ 86.455 بلین روپے رہا۔

دیگر آمدنی میں کرنسی کی قدر میں کمی کی وجہ سے زر مبادلہ کے نفع میں نمایاں اضافہ ہوا ہے۔

بی ایم آر پلان کے تحت حکومت کی طرف سے فراہم کردہ عارضی اقتصادی ری فنانس سہولت (TERF) کا استعمال کرتے ہوئے، درآمد کی گئی 49 لومز، کامیابی کے ساتھ نصب ہو گئی ہیں اور اعلیٰ کارکردگی اور بہتر لاگت کو کنٹرول کرنے میں مددگار ہوں گی۔

خام مال اور ایندھن کی قیمتوں میں اضافے کا رجحان آنے والے سال کے دوران برقرار رہنے کا امکان ہے جس کی وجہ سے پیداواری لاگت میں مزید اضافہ ہوگا۔ مزید برآں، گیس کی کمی، سیاسی عدم استحکام، غیر یقینی ٹیکس اور لیویز، بڑھتی ہوئی سمندری مال برداری کی لاگت اور جہازوں کی مشکل دستیابی، مہنگائی کی بلند شرح، پالیسی ریٹ میں اضافہ اور شرح مبادلہ میں اتار چڑھاؤ آنے والے عرصہ میں صنعت کے لیے اہم چیلنجز ہیں۔

مزید بہتری کے لیے ہمیشہ کی طرح کوششیں جاری رکھیں گے۔

ڈیویڈنڈ:-

منافع میں حصص داران کو شریک کرنے کی غرض سے، ڈائریکٹرز نے اس سال 130 فیصد نقد ڈیویڈنڈ کی سفارش کی ہے۔ یہ ادائیگی سال 2021-2022 کے منافع بعد از ٹیکس کا 41.85 فیصد ہے 150 ملین کی رقم جنرل ریزرو میں منتقل کرنے کی تجویز ہے۔

بنیادی خطرات اور غیر یقینی صورتحال:-

کمپنی کو درج ذیل خطرات اور غیر یقینی صورتحال کا سامنا ہے۔

- خام مال کی قیمتوں میں اضافہ
- مقامی اور بین الاقوامی بازار میں قیمتوں میں اتار چڑھاؤ
- شرح تبادلہ میں اتار چڑھاؤ
- توانائی کی دستیابی اور لاگت
- ٹیکس قوانین اور ضوابط میں تبدیلی کے باعث بازار کا متاثر ہونا

کمپنی ان خطرات کو ایک چیلنج کے طور پر لیتی ہے اور مالی کارکردگی پر ان خطرات کے ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتی ہے۔

آڈٹ کا اندرونی انتظام:-

کمپنی میں اندرونی کنٹرول کا ایک مضبوط نظام قائم اور رائج ہے۔ داخلی کنٹرول کا یہ نظام کمپنی کے کاروباری مقاصد اور آپریشنل کارکردگی، قابل اعتماد مالی رپورٹنگ اور متعدد لازمی قوانین کی تعمیل کو یقینی بنانے کے لئے تیار کیا گیا ہے۔

مادی تبدیلیاں اور وعدے:-

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے دوران کمپنی کی مالی حیثیت کو متاثر کرنے والی کسی اہم تبدیلیوں اور معاہدوں کا مشاہدہ نہیں کیا گیا۔

بھایا قانونی ادائیگی:-

تمام بقایا جات معمول کے مطابق اور عام نوعیت کے ہیں۔

کمپنیوں کو چلانے کا طریقہ کار (کوڈ آف کارپوریٹ گورننس):-

کمپنی ان تمام ضروریات سے آگاہ ہے جو کمپنیوں کو چلانے کے طریق کار (کوڈ آف کارپوریٹ گورننس) میں مذکور ہیں اور ان کی پابندی کر رہی ہے۔ تعمیل کے تصدیقی بیان پر مشتمل بیرونی آڈیٹرز کی طرف سے جاری کی گئی ایک جائزہ رپورٹ لف ہذا ہے۔

کارپوریٹ اور مالیاتی رپورٹس پر مشتمل بیانات:-

- انتظامیہ کی تیار کردہ یہ مالیاتی رپورٹس، آپریشنز کے نتائج، حصول زر اور استعمال نیز ایکویٹی میں ہونے والی تبدیلیوں کی درست عکاسی کرتی ہیں۔
- حسابی کتب مناسب طور پر رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں حسب سابق اکاؤنٹس کے درست اصولوں کو اختیار کیا گیا ہے اور حسابی اندازوں کی بنیاد معقول اور محتاط ہے۔
- حسابات کی تیاری میں ان بین الاقوامی معیاروں کی، جن کا نفاذ پاکستان میں ہو چکا ہے، پیروی کی گئی ہے اور کسی بھی انحراف کو واضح طور پر ظاہر کیا گیا ہے۔
- اندرونی کنٹرول کا نظام بلحاظ ساخت مکمل ہے اور اس پر عملدرآمد اور نگرانی موثر ہے۔
- کمپنی کے چلتے رہنے کی صلاحیت ہر قسم کے شک و شبہ سے بالا ہے۔
- لسٹنگ ریگولیشنز میں کارپوریٹ کوڈ آف گورننس کے بہترین طریقوں، پر عملدرآمد میں کوئی قابل ذکر انحراف نہیں ہوا ہے۔

چھ سالہ جائزہ:-

گزشتہ چھ سال کے کلیدی آپریٹنگ اور مالی اعداد و شمار اور نسبتوں کی تفصیل منسلک ہے۔

بورڈ آف ڈائریکٹر اور اس کی کمیٹیاں:-

ڈائریکٹرز کی کل تعداد 10 ہے جن کی تفصیل درج ذیل ہے:

(ا) مرد: 9 (ب) خواتین: 1

بورڈ کی ساخت درج ذیل ہے:

نام	اقسام / کمیٹی
جناب فاروق حسن	انڈیپنڈنٹ ڈائریکٹر / آزاد ڈائریکٹر
جناب عامر امین (این آئی ٹی)	
جناب سید ندیم علی کاظمی	
جناب منیر نواز	دیگر غیر انتظامی ڈائریکٹر
جناب توقیر نواز	
جناب محمد عثمان خالد	
جناب عابد نواز	
محترمہ سعدیہ محمد	خاتون غیر انتظامی ڈائریکٹر
جناب محمد نعیم	ایگزیکٹو ڈائریکٹر / انتظامی ڈائریکٹر
لیفٹینینٹ کرنل (ریٹائر) رشید الدین شمس	

بورڈ نے جو کمیٹیاں تشکیل دی ہوئی ہیں، ان کے ممبران درج ذیل ہیں:

الف) آڈٹ کمیٹی

- جناب عامر امین (چیرمین)
- جناب منیر نواز
- جناب توقیر نواز
- جناب محمد عثمان خالد
- جناب عابد نواز

ب) ایچ آر اینڈ ریو نیویشن کمیٹی

- جناب فاروق حسن (چیرمین)
- جناب منیر نواز
- جناب محمد نعیم
- جناب توقیر نواز
- محترمہ سعدیہ محمد

ڈائریکٹر ان کے معاوضہ کی پالیسی:-

کمپنی انتظامی معاملات میں شامل نہ ہونے والے ڈائریکٹر (نان ایگزیکٹو ڈائریکٹر) کو مینٹنگ میں شمولیت کی فیس کے علاوہ کسی قسم کی ادائیگی نہیں کرتی۔ البتہ کسی بھی ڈائریکٹر کو بورڈ یا اس کی کمیٹیوں یا عام اجلاس میں شرکت پر ہونے والے اخراجات کی ادائیگی کرتی ہے یا کسی ایسے خرچ کی جو وہ کمپنی کے کاروبار یا اس سے متعلق کریں۔ چیف ایگزیکٹو، کل وقتی ورکنگ ڈائریکٹر یا کسی بھی ڈائریکٹر کی اضافی خدمات بجالانے کے معاوضے کا تعین بورڈ کمپنی کے آرٹیکل کے مطابق کرتا ہے۔

ڈائریکٹر ز اور چیف ایگزیکٹو کو دوران سال 2021-2022 دیئے جانے والے معاوضہ کے بارے میں تمام معلومات سالانہ رپورٹ کے نوٹس میں دے دی گئی ہیں۔

حصہ داروں کی تفصیل (پیٹرن آف شیئرز ہولڈرز):

مالی سال 30 جون 2022 کے اختتام پر قواعد کے مطابق درکار حصہ داران کی تفصیل منسلک ہے۔

آڈیٹرز:

بورڈ کی آڈٹ کمیٹی نے موجودہ آڈیٹر میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹ کی مالی سال 2022-23 کے لئے بطور آڈیٹر تقرری کی سفارش کی ہے۔ بورڈ اس سفارش سے متفق ہے۔

معاشرتی و سماجی ذمہ داریوں:

معاشرتی و سماجی ذمہ داری سے متعلق مفصل رپورٹ منسلک ہے اور اس رپورٹ کا لازمی جزو ہے۔

حوصلہ افزائی:

ڈائریکٹر ز کمپنی کے تمام ملازمین کی انتھک محنت کا شکر گزاری کے ساتھ اعتراف کرتے ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹر ز

Memon Nawaz

(منیر شاہنواز)

چئیرمین

/ Nasir

(ایم۔ نعیم)

چیف ایگزیکٹو آفیسر

کراچی

28 ستمبر 2022

In recognition of its social responsibility, Company is regularly contributing reasonably in the interests of its clients, suppliers, employees and environment.

Clients

At STL, we are committed to quality, excellence and customer satisfaction. In order to improve the quality of service, we ensure to meet the expectations of our customers and their complete satisfaction. The STL Quality Management Program includes surveys and audit process conducted regularly both internally and through external companies.

Suppliers

We work and collaborate with leading industry suppliers that meet a code of ethics and respect for the environment. We strive to provide equal opportunities and encourage the purchase of local and national products, always under strict environmental control of raw materials. For each one of them and for the most important products, we ask for the appropriate technical specification.

The products we use are mostly of recognized brands, companies committed to the environment and immersed in Quality Policy and recognized Certifications like ISO, etc.

Environment& Society

At STL, we work to contribute to sustainable development and protect the natural resources of our environment. We promote awareness, training and dissemination of good environmental practices among our customers, suppliers and employees. The goal is to instill a sense of energy and water savings. We have been successful in a way that this activity is also carried into the homes of our employees.

Saving natural resources, water and energy.

- Monitoring of waste control and efficient use of water and energy.
- Turning off lights, fans, closing refrigerators, air conditioners or other electronic equipments when not in use.
- Use of energy saving lamps, lighting using white light energy-saving bulbs and energy-saving LED systems.

Severe energy crisis in our country is not only adversely impacting the national economy but also is a matter of depression for general public as long hours of load shedding of electricity has disturbed peaceful lives of the citizens. STL has shared national burden by investing millions of Rupees in the power generation facilities through gas generators.

At STL, we always ensure to be a responsible corporate citizen and assist government through timely deposit of taxes and other duties in government treasury.

Employees

At STL, we value people. We believe and work for them. We know that the foundation of our company is its human capital. This is why measures are taken to ensure the motivation and involvement of our employees.

Our system of recruitment, hiring, compensation, professional development, participation ensures equal opportunities and non-discrimination. We ensure the basic measures of health, safety and risk prevention, in addition to implementing the measures necessary to ensure good working atmosphere. We provide tools that foster transparent and bidirectional communication.

Few of the initiatives that have been undertaken in this regard are as follow:

- To offer market-based remuneration packages and bonuses to employees to motivate and acknowledge their valuable services.
- Provision of family and single accommodation to most of the employees in the colony of the Company.
- Provision of food on subsidized rates to all regular employees of the Company.
- Training of employees for firefighting equipment, first aid procedures and evacuation drills.

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 10 as per the following:
 - a) Male: 9
 - b) Female: 1

2. The composition of the Board is as follows:

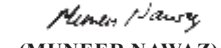
Category	Names
Independent directors	Mr. Farooq Hassan
	Mr. Aamir Amin
	Mr. Syed Nadeem Ali Kazmi
Non-executive directors	Mr. Muneer Nawaz
	Mr. Toqueer Nawaz
	Mr. Muhammad Usman Khalid
	Mr. Abid Nawaz
Female non-executive director	Mrs. Sadia Muhammad
Executive directors	Mr. Muhammad Naeem – Chief Executive Officer Lt. Col(Retd.) Rashiduddin Shams

- * The requirement of Independent Directors is at least two or one-third of members of the Board, whichever is higher. Three independent directors were appointed/elected on the Company's Board and the fraction of 0.33 was not rounded up as one since the Board considers that the three Independent Directors have adequately protected the interests of the minority shareholders.
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
 4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
 5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations;
 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
 8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
 9. The Board remained fully compliant with the provision with regard to director's training program. Out of total ten directors of the Company, three have minimum of 14 years of education and 15 years of experience on the board of a listed company and therefore are exempt from director's training program. Six other directors have completed the Director's Training Program from Pakistan Institute of Corporate Governance (PICG). The Company, however, intends to facilitate further training for the remaining Director in near future as defined in these Regulations;
 10. There was no fresh appointment of Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit (HOIA) during the year ended June 30, 2022. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
 11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
 12. The Board has formed committees comprising of members given below:

<ol style="list-style-type: none"> a) Audit Committee <ul style="list-style-type: none"> Mr. Aamir Amin (Chairman) Mr. Muneer Nawaz Mr. Toqueer Nawaz Mr. Muhammad Usman Khalid Mr. Abid Nawaz 	<ol style="list-style-type: none"> b) HR and Remuneration Committee <ul style="list-style-type: none"> Mr. Farooq Hassan (Chairman) Mr. Muneer Nawaz Mr. Muhammad Naeem Mr. Toqueer Nawaz Mrs. Sadia Muhammad
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 - The Board has not formed the 'Nomination Committee' and 'Risk Management Committee' as responsibilities of these committees are being taken care of at the Board Level as and when required. Therefore, a need for the separate formation of these committees does not exist.
 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
 14. The frequency of meetings of the committee were as per following:
 - Audit Committee: Four quarterly meetings during the financial year ended June 30, 2022;
 - HR and Remuneration Committee: One meeting during the financial year ended June 30, 2022.
 15. The Board has outsourced the internal audit function to a firm of Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
 16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
 18. We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

for and on behalf of the Board of Directors


(M. NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shahtaj Textile Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.



Chartered Accountants

Karachi: September 29, 2022

UDIN: CR202210091Aqovg6ywF

2021-2022 2020-2021 2019-2020 2018-2019 2017-2018 2016-2017

All figures are in Million Rupees other than where percentages and ratio sign appear.

Ratios

PROFIT AND LOSS ACCOUNT

Net turnover	7455.486	4937.494	4365.769	4787.646	3925.325	3498.781
Gross Profit	732.981	550.265	421.282	448.758	295.817	328.36
Operating Profit	488.181	334.952	193.314	338.732	141.135	156.556
Profit before tax	401.726	287.541	113.095	251.391	84.598	117.967
Profit after tax	300.049	216.959	72.571	188.048	68.100	105.979
Earning per share (Rs.)	31.06	22.46	7.51	19.47	7.05	10.97
Cash dividend	130%	115%	40%	100%	27.50%	50%
Dividend payment ratio	41.85%	51.2%	53.2%	51.4%	39%	45.6%
Cash distribution per share in Rupees	13.00	11.50	4.00	10.00	2.75	5.00

BALANCE SHEET

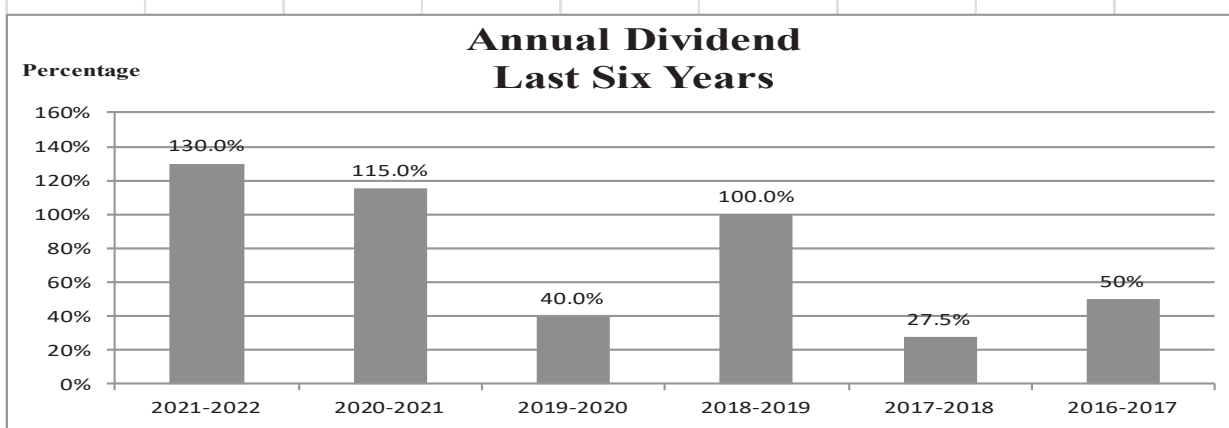
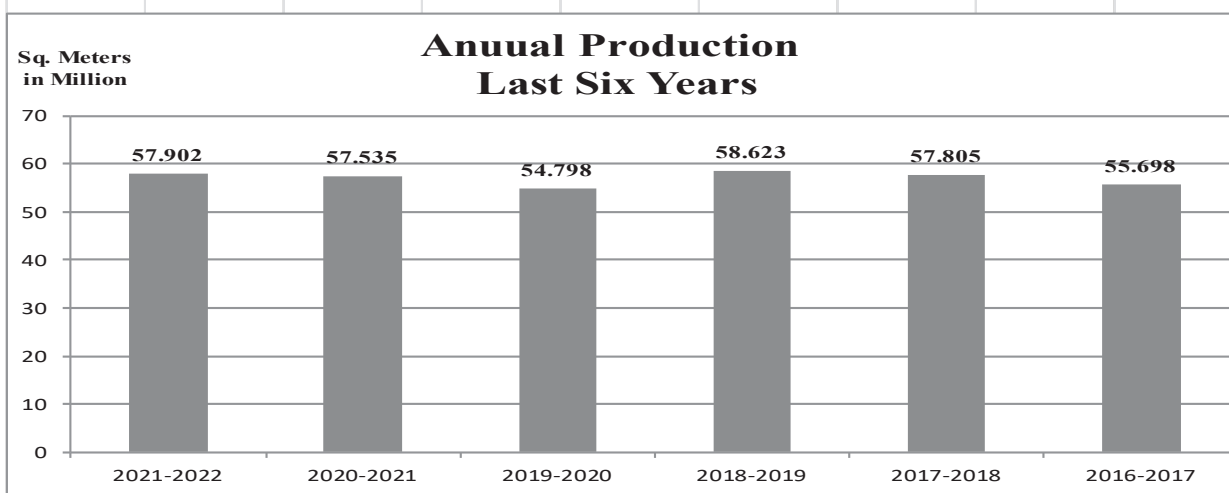
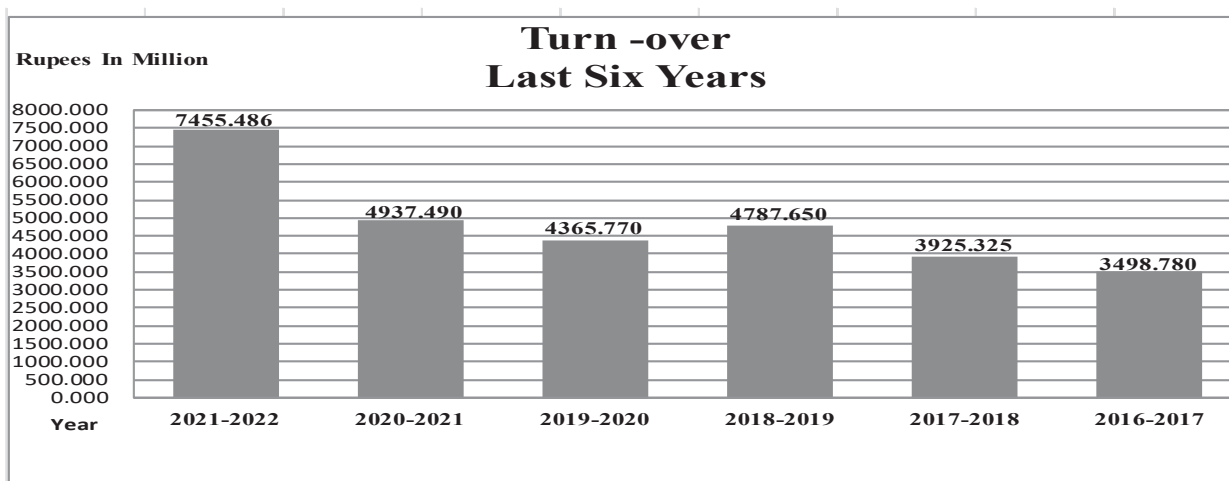
Shareholder funds	96.600	96.600	96.600	96.600	96.600	96.600
Reserves	1449.659	1228.449	1037.349	1045.151	875.592	853.589
Surplus on revaluation of plant & machinery	220.081	258.368	63.066	75.983	86.947	4.651
Property plant and equipment	1706.679	1409.436	1152.175	1080.826	1160.648	1014.729
Long term finance	958.625	569.753	513.501	338.888	287.398	298.279
Net current assets / liabilities	1117.642	868.866	636.015	541.391	252.585	320.111

INVESTOR INFORMATION

Gross profit ratio	9.83%	11.14%	9.65%	9.37%	7.54%	9.38%
Profit before tax ratio	5.39%	5.82%	2.59%	5.25%	2.16%	3.37%
Inventory turnover ratio	4.12	4.86	6.32	9.04	7.73	8.33
Fixed asset turnover ratio	4.37	3.50	3.79	4.43	3.38	3.45
Return on equity	16.99%	13.70%	6.06%	15.44%	6.42%	11.10%
Debt equity ratio	35:65	26:74	30:70	22:78	21:79	24:76
Current ratio	1.55	1.83	1.63	1.44:1	1.20:1	1.45:1
Interest cover ratio	5.65	7.06	2.41	3.88	2.50	4.06

STATEMENT OF VALUE ADDITION

Employees remuneration	371.495	335.083	317.886	309.365	276.102	266.452
Government as taxes	1147.006	778.615	699.546	63.342	16.497	11.988
Shareholders as dividend	125.580	111.090	38.640	96.600	26.565	48.300
Retained with in business	174.469	105.869	33.931	91.448	41.535	57.679
Financial charges to providers of finance	86.455	47.411	80.219	87.341	56.537	38.589



Pattern of shares held by shareholders as at June 30, 2022 is as under:

SERIAL NUMBER	NUMBER OF SHARE HOLDERS	S H A R E H O L D I N G S			TOTAL SHARES HELD
1	300	1	-	100	11,334
2	150	101	-	500	54,130
3	526	501	-	1,000	310,565
4	83	1,001	-	5,000	180,506
5	14	5,001	-	10,000	92,935
6	3	10,001	-	15,000	37,925
7	3	15,001	-	20,000	55,075
8	1	20,001	-	25,000	21,600
9	1	25,001	-	30,000	26,012
10	2	30,001	-	35,000	64,830
11	2	35,001	-	40,000	74,225
12	3	40,001	-	45,000	124,193
13	4	45,001	-	50,000	199,500
14	1	50,001	-	55,000	54,000
15	1	85,001	-	90,000	85,800
16	1	100,001	-	105,000	104,543
17	2	110,001	-	115,000	227,500
18	1	115,001	-	120,000	118,000
19	1	145,001	-	150,000	149,585
20	1	175,001	-	180,000	177,872
21	1	270,001	-	275,000	271,584
22	1	285,001	-	290,000	289,655
23	1	290,001	-	295,000	294,821
24	1	295,001	-	300,000	300,000
25	1	305,001	-	310,000	306,000
26	1	310,001	-	315,000	311,904
27	1	320,001	-	325,000	320,964
28	1	345,001	-	350,000	350,000
29	1	350,001	-	355,000	352,243
30	1	395,001	-	400,000	396,750
31	1	475,001	-	480,000	475,726
32	1	525,001	-	530,000	529,670
33	1	555,001	-	560,000	555,200
34	1	750,001	-	755,000	752,782
35	1	830,001	-	835,000	832,571
36	1	1,145,001	-	1,150,000	1,150,000
	1,116				9,660,000

SHARE HOLDER'S CATEGORY		Number of Share Held	Percentage of shareholding
(i) Directors, Chief Executive Officer, and their spouse(s) and minor children (name wise details);			
1	Mr. Muneer Nawaz (Chairman)	832,571	
	Mrs. Abida Muneer Nawaz (Wife)	396,750	
2	Mr. M. Naeem (CEO)	659,743	
	Mrs. Amtul Bari Naeem (Wife)	835,670	
3	Mr. Abid Nawaz	177,872	
4	Lt. Col. (Retd.) Rashiduddin Shams	3,450	
5	Mrs Sadia Muhammad	302,500	
6	Mr. Toqueer Nawaz	374,964	
7	Mr. Muhammad Usman Khalid	330,005	
8	Mr. Farooq Hassan	500	
9	Mr. Syed Nadeem Ali Kazmi	500	
		3,914,525	40.52%
(ii) Associated Companies, undertaking & related parties (name wise details);			
	Shahtaj Sugar Mills Limited	1,150,000	
	Shahnawaz (Private) Limited	350,000	
		1,500,000	15.53%
(iii) NIT and ICP			
	CDC-Trustee National Investment (Unit) Trust (Represented on Board of Directors)	475,726	
		475,726	4.92%
(iv) Banks, Development Finance Institutions, Non Banking Financial Institution		15,342	0.16%
(v) Insurance Companies		-	-
(vii) Modarabas and Mutual Funds		-	-
(vii) General Public			
	Local	3,699,382	
	Foreign	-	
		3,699,382	38.30%
(viii) Others			
	Joint Stock Companies	10,006	
	Provident / Pension Funds and Miscellaneous	45,019	
		55,025	0.57%
		9,660,000	100.00%
Shareholder holding 10% or more voting rights in the listed company (name wise details);			
	Shahtaj Sugar Mills Limited	1,150,000	
		1,150,000	11.90%

Opinion

We have audited the annexed financial statements of **Shahtaj Textile Limited** (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
1. Valuation of stock in trade	
<p>(Refer notes 3.3 and 16 to the accompanying financial statements)</p> <p>As at June 30, 2022, the Company held stock-in-trade of Rs. 1,801.561 million, which is 36.45% of total assets. We focused on stock-in-trade as it is a significant portion of Company's total assets and the valuation of finished goods within stock-in-trade at cost has different components, which includes judgment in relation to the allocation of overheads costs, which are incurred in bringing the finished goods to its present location and condition. Further, judgments are also involved in determining the net realizable value of stock-in-trade items in line with the accounting policy.</p>	<p>Our key audit procedures to address the valuation of stock-in-trade, included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of mechanism of recording purchases and valuation of stock-in-trade and evaluated their design and implementation; • Tested on a sample basis purchases with underlying supporting documents; • Verified the calculations of the actual labor and overhead costs and checked allocation of labor and overhead costs to finished goods; • Obtained an understanding of management's process for determining the net realizable value and checked:

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> • future selling prices by performing a review of sales close to and subsequent to the year-end; and • determination of cost necessary to make the sales. • Checked the calculations of net realizable value of itemized list of stock-in-trade, on a sample basis and compared the net realizable value with the cost to ensure that valuation of stock-in-trade is in line with the accounting policy. • Assessed the adequacy and appropriateness of the related disclosures in the financial statements for compliance with the requirement of the applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended June 30, 2022, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a

high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements


Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of

changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.



Chartered Accountants


Place: Karachi


Date: September 29, 2022


UDIN: AR2022100919vB4IDVit

		2022	2021			2022	2021
	Note	----- (Rupees in '000) -----			Note	----- (Rupees in '000) -----	
EQUITY AND LIABILITIES				ASSETS			
Share capital and reserves				Non-current assets			
Authorized share capital 10,000,000 ordinary shares of Rs. 10 each		100,000	100,000	Property, plant and equipment	12	1,760,679	1,409,436
Issued, subscribed and paid- up capital	4	96,600	96,600	Long-term loans	13	524	514
Revenue reserves	5	1,449,659	1,228,449	Long-term deposits	14	33,138	33,108
Surplus on revaluation of plant and machinery	5	220,081	258,368			1,794,341	1,443,058
		1,766,340	1,583,417				
LIABILITIES				Current assets			
Non-current liabilities				Current assets			
Long-term finance	6	958,625	569,753	Stores, spares and loose tools	15	46,363	46,453
Deferred liabilities	7	187,018	158,753	Stock-in-trade	16	1,801,561	1,016,558
		1,145,643	728,506	Trade debts	17	997,310	647,569
Current liabilities				Loans and advances	18	3,718	5,247
Trade and other payables	8	955,824	628,245	Trade deposits and prepayments	19	2,344	2,227
Advance from customers - contract liabilities		11,012	9,443	Other receivables	20	3,490	3,417
Unclaimed dividend		24,605	15,155	Taxation - net		56,260	64,884
Interest accrued	9	32,265	9,440	Sales tax refundable		220,526	80,897
Short-term borrowings	10	912,968	298,241	Cash and bank balances	21	17,164	50,420
Current portion of long-term finance	6	94,420	88,283			3,148,736	1,917,672
		2,031,094	1,048,807				
Total equity and liabilities		4,943,077	3,360,730	Total assets		4,943,077	3,360,730
CONTINGENCIES AND COMMITMENTS							
	11						

The annexed notes from 1 to 44 form an integral part of these financial statements.



(M. Naeem)
Chief Executive



(Amir Ahmed)
Chief Financial Officer

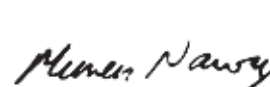

(Muneer Nawaz)
Chairman

	Note	2022 ----- (Rupees in '000) -----	2021
Sales - net	22	7,455,486	4,937,494
Cost of goods sold	23	(6,722,505)	(4,387,229)
Gross profit		732,981	550,265
Distribution expenses	24	(112,256)	(69,767)
Administrative expenses	25	(125,687)	(112,949)
Other operating expenses	26	(30,657)	(32,978)
Finance cost	27	(86,455)	(47,411)
		(355,055)	(263,105)
		377,926	287,160
Other income	28	23,800	381
Profit before taxation		401,726	287,541
Taxation	29	(101,677)	(70,582)
Profit for the year		300,049	216,959
		----- Rupees -----	
Earnings per share - basic and diluted	30	31.06	22.46

The annexed notes from 1 to 44 form an integral part of these financial statements.


(M. Naeem)
Chief Executive



(Amir Ahmed)
Chief Financial Officer



(Muneer Nawaz)
Chairman

	Note	2022 ----- (Rupees in '000) -----	2021
Profit for the year		300,049	216,959
Other comprehensive income			
Items that will not be transferred subsequently to profit or loss			
Surplus on revaluation of plant & machinery		-	240,032
Impact of deferred tax thereon		-	(30,628)
Deferred tax related to change of rate on surplus on revaluation		(2,368)	(342)
		(2,368)	209,062
Loss on remeasurement of defined benefit obligation	7.1.4	(4,243)	(1,124)
Impact of deferred tax thereon	7.2	575	144
		(3,668)	(980)
Other comprehensive income for the year		(6,036)	208,082
Total comprehensive income for the year		294,013	425,041

The annexed notes from 1 to 44 form an integral part of these financial statements.



(M. Naeem)
Chief Executive



(Amir Ahmed)
Chief Financial Officer



(Muneer Nawaz)
Chairman

		2022	2021
	Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		401,726	287,541
Adjustments for:			
Depreciation	12.2	151,688	123,208
Finance cost	27	86,455	47,411
Gain on disposal of property, plant and equipment	28	(453)	(169)
Provision for leave encashment	8.3	4,402	6,291
Unrealised exchange gain		(11,287)	(536)
Provision for gratuity	7.1.3	22,768	19,745
Property, plant and equipment written off	26	60	271
Stores and spares written off	26	823	882
Stock in trade written off	23	254	267
Operating cash flows before movements in working capital		656,436	484,911
(Increase) / decrease in current assets			
Stores, spares and loose tools		(733)	(2,340)
Stock-in-trade		(785,257)	(326,123)
Trade debts		(338,454)	(56,453)
Loans and advances		1,529	(1,039)
Trade deposits and prepayments		(117)	188
Other receivables		(73)	3,031
Sales tax refundable		(139,629)	80,722
Increase / (decrease) in current liabilities			
Trade and other payables		328,599	83,551
Advance from customers - contract liabilities		1,569	(5,979)
Cash (used) / generated from operations		(276,130)	260,469
Gratuity paid	7.1.1	(11,050)	(12,041)
Leave encashment paid	8.3	(5,422)	(6,107)
Finance cost paid		(63,630)	(50,566)
Income taxes paid		(82,542)	(39,373)
Net cash (used) / generated from operating activities		(438,774)	152,382
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(554,983)	(143,628)
Proceeds from disposal of property, plant and equipment		52,445	3,090
Long-term deposits		(30)	-
Long-term loans		(10)	(125)
Net cash used in investing activities		(502,578)	(140,663)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance	6	(88,284)	(37,219)
Long term finance obtained	6	483,293	154,535
Dividend paid	31	(101,640)	(35,642)
Net cash generated from financing activities		293,369	81,674
Net (decrease) / increase in cash and cash equivalents		(647,983)	93,393
Cash and cash equivalents at the beginning of the year		(247,821)	(341,214)
Cash and cash equivalents at the end of the year	32	(895,804)	(247,821)

The annexed notes from 1 to 44 form an integral part of these financial statements.


(M. Naeem)
Chief Executive



(Amir Ahmed)
Chief Financial Officer



(Muneer Nawaz)
Chairman


**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022**

	Issued, Subscribed and Paid up Capital	Revenue reserve		Capital reserve	Total
		General	Unappropriated profit	Surplus on revaluation of plant and machinery	
		(Rupees in '000)			
Balance as at July 01, 2020	96,600	825,000	212,350	63,066	1,197,016
Total comprehensive income for the ended June 30, 2021					
Profit for the year	-	-	216,959	-	216,959
Other comprehensive income	-	-	(980)	209,062	208,082
	-	-	215,979	209,062	425,041
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation net of deferred tax	-	-	13,259	(13,259)	-
- disposal net of deferred tax	-	-	501	(501)	-
Transferred to general reserve	-	25,000	(25,000)	-	-
Transactions with owners					
Final dividend for the year ended June 30, 2020 @ Rs. 4 per share	-	-	(38,640)	-	(38,640)
Balance as at June 30, 2021	96,600	850,000	378,449	258,368	1,583,417
Total comprehensive income for the ended June 30, 2022					
Profit for the year	-	-	300,049	-	300,049
Other comprehensive income	-	-	(3,668)	(2,368)	(6,036)
	-	-	296,381	(2,368)	294,013
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation net of deferred tax	-	-	25,191	(25,191)	-
- disposal net of deferred tax	-	-	10,728	(10,728)	-
Transferred to general reserve	-	85,000	(85,000)	-	-
Transactions with owners					
Final dividend for the year ended June 30, 2021 @ Rs. 11.50 per share	-	-	(111,090)	-	(111,090)
Balance as at June 30, 2022	96,600	935,000	514,659	220,081	1,766,340

The annexed notes from 1 to 44 form an integral part of these financial statements.


(M. Naeem)
Chief Executive


(Amir Ahmed)
Chief Financial Officer


(Muneer Nawaz)
Chairman

1. STATUS AND NATURE OF BUSINESS

Shahtaj Textile Limited (the Company) is limited by shares, incorporated in Pakistan on January 24, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public limited Company. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal business of the Company is manufacture and sale of textile goods.

Following are the geographical locations and addresses of the Company:

Head Office

Shahnawaz Building, 19 - Dockyard Road, West Wharf, Karachi, Sindh, Pakistan.

Manufacturing Facility/Plant

46 KM, Lahore/Multan Road, Chunian Industrial Estate, Bhai Pheru, Distt. Kasur, Punjab, Pakistan.

Registered Office

27-C, Abdalian Cooperative Housing Society Limited, Opposite Expo Center, Lahore, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of;

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis modified by:

- revaluation of plant and machinery; and
- obligation under defined benefit plan at net present value.

2.3 Presentation and functional currency

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

2.4 Accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various

assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Provision for gratuity (notes 3.8 and 7.1);
- Provision for taxation and deferred tax (notes 3.5, 7.2 and 29);
- Contingencies and commitments (note 11);
- Useful lives and residual values of property, plant and equipment (notes 3.1 and 12);
- Revaluation of plant and machinery (notes 3.1 and 12);
- Net realizable value of stock in trade (notes 3.3 and 16) and stores, spares and loose tools (notes 3.2 and 15);
- Impairment of financial assets (notes 3.6.4 and 17); and
- Impairment of non-financial assets (note 3.19).

2.5 NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

2.5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following amendments are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021

2.5.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - Amendments regarding deferred tax on leases and decommissioning obligations	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statement have been consistently applied to all the years presented.

3.1 Property, plant and equipment

Property, plant and equipment, except plant and machinery, are stated at cost less accumulated depreciation and impairment loss, if any.

Plant and machinery is stated at revalued amount, being the fair value at the date of revaluation, less subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the reporting date. Any revaluation increase arising on the revaluation of such assets is recognised, net of tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on plant and machinery" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in statement of profit or loss, in which case the increase is first recognised in statement of profit or loss account to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to statement of profit or loss. The revaluation reserve is not available for distribution to the Company's shareholders. The Company has adopted the following accounting treatment of depreciation on revalued assets.

- a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the statement of profit or loss; and
- b) an amount equal to incremental depreciation for the year net of deferred tax is transferred from "Surplus on revaluation of plant and machinery" to unappropriated profits through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rate specified in note 12.1, whereby the cost of the asset is written over its useful life. Depreciation on all additions in property, plant and equipment is charged from the month in which the asset is available for use and on disposals up to the month preceding the month of disposal.

Assets' residual values, if significant, and their useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the financial year in which they are incurred.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the assets (calculated as difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

3.2 Stores, spares and loose tools

These are valued at lower of cost and net realizable value, determined on moving average basis. The carrying value is adjusted for allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon unto reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost to be incurred for its sale.

The Company writes off stores and spares which at the end of the financial year have remained in stocks from the date of purchase for a period as prescribed under:

Stores general	held over 5 years
Spares	held over 10 years

The above write off is charged to statement of profit or loss in the period such items are written off.

3.3 Stock-in-trade

These are valued at lower of cost and net realizable value. Methods used for determining costs are as follows:

Raw and packing materials	Moving average cost
Work-in-process	Average manufacturing cost
Finished goods	Average manufacturing cost

Raw material-in-transit and finished goods-in-transit are valued at cost comprising of cost and freight value plus other charges incurred thereon up to the reporting date.

Average cost in relation to work-in-process and finished goods signifies average manufacturing cost including a portion of related direct overheads.

Net realizable value (NRV) signifies the estimated selling price in the ordinary course of business less estimated costs of completion and cost necessary to make the sale.

The Company writes off raw material which at close of the financial year have remained in stocks for more than 3 years from the date of purchase. The write off is charged to statement of profit or loss in the period such stocks are held for more than 3 years.

3.4 Trade debts, loans, deposits and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss (refer note 3.6.4).

3.5 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation, after taking into account tax rebates and tax credits available, if any, or turnover at the specified rate or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. Charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessment framed / finalized during the year. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred tax is provided using the balance sheet liability method for temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 (Income taxes) issued by the Institute of Chartered Accountants of Pakistan.

Deferred tax asset is recognized for all deductible temporary differences, carry forward of unused tax losses and tax credits, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

3.6 Financial instruments

3.6.1 Classification of financial assets

The Company classifies its financial assets into following three categories:

- At amortized cost ("AC");
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial assets at FVTPL

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

3.6.2 Recognition and initial measurement of financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of assets and liabilities when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.6.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVOCI

All financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income.

For debt instruments classified as financial assets at FVOCI, the amounts in other comprehensive income are reclassified to income statement on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

3.6.4 Impairment

Impairment of financial assets

Under expected credit loss (ECL) model of IFRS 9, the Company recognises loss allowances for ECLs on financial assets other than debt securities. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

3.6.5 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

3.6.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3.6.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

3.7 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments, short-term running finance under mark-up arrangements and musharaka finance.

3.8 Defined benefit plan - staff gratuity

The Company operates an unfunded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined under the scheme. Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation. The valuation is carried out using the "Project Unit Credit Method" at each reporting period. All actuarial gains and losses are recognized in 'other comprehensive income'. Current service costs and any past service costs together with net interest cost are charged to statement of profit or loss.

3.9 Compensated absences

The Company provides for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned.

3.10 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost.

3.11 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.12 Revenue recognition

The Company manufactures and contracts with customers for the sale of greige fabric which generally include single performance

obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer, which is when the goods are dispatched to the customer in case of local sales and date of bill of lading in case of export sales.

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.

Export rebate is recognized on accrual basis at the time of recognizing export sale.

3.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

3.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

3.15 Dividend and appropriation to/ from reserves

Dividend distribution to the Company's shareholders and appropriation to/ from reserves are recognized as a liability in the financial statements in the period in which these are approved by the appropriate authority.

3.16 Foreign currency transactions and translation

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated into reporting currency equivalents using foreign currency rates ruling on the reporting date. Exchange differences on foreign currency transactions and translation are included in the income currently.

3.17 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Company considers the Board of Directors as the CODM, who is responsible for allocating resources and assessing performance of the operating segments. Management has determined that the Company has a single reportable segment, as the Board of Directors views the Company's operations as one reportable segment because of the similarity in nature of the products, nature of the production processes, type or class of customers for the products and the methods used to distribute the products.

3.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.19 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each

reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

3.20 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021		Note	2022	2021
Number of shares				----- (Rupees in '000) -----	
		Ordinary shares of Rs.10 each fully paid			
8,400,000	8,400,000	In cash		84,000	84,000
1,260,000	1,260,000	As bonus shares	5.1	12,600	12,600
9,660,000	9,660,000			96,600	96,600

4.1 Shahtaj Sugar Mills Limited and Shahnawaz (Private) Limited (associated companies) held 1,150,000 (2021: 1,150,000) and 350,000 (2021: Nil) respectively fully paid ordinary shares of Rs. 10 each at year end.

4.2 Directors held 2,682,105 (2021: 2,682,105) fully paid ordinary shares of Rs. 10 each at year end.

4.3 The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

5. RESERVES

REVENUE RESERVES

General reserve	935,000	850,000
Unappropriated profit	514,659	378,449
	1,449,659	1,228,449

CAPITAL RESERVE

Surplus on revaluation of plant and machinery	5.1	220,081	258,368
		1,669,740	1,486,817

	Note	2022 ----- (Rupees in '000) -----	2021 -----
5.1 Surplus on revaluation of plant and machinery			
Surplus on revaluation of plant and machinery as at July 01,		296,158	71,899
Impact of revaluation during the year		-	240,032
Transfer to unappropriated profit on account of:			
- incremental depreciation (net of deferred taxation)		(25,191)	(13,259)
- disposal of property, plant and equipment (net of deferred taxation) Related deferred tax liability		(10,728)	(501)
		(5,635)	(2,013)
		(41,554)	(15,773)
Surplus on revaluation of property, plant and equipment as at June 30		254,604	296,158
Related deferred tax liability on:			
Revaluation as at July 01		(37,790)	(8,832)
Increase in deferred tax for change in rate of deferred tax		(2,368)	(342)
Surplus on revaluation of plant and machinery realized during the year		-	(30,628)
- incremental depreciation (net of deferred taxation)		3,951	1,939
- disposal of property, plant and equipment (net of deferred taxation)		1,684	73
		3,267	(28,958)
		(34,523)	(37,790)
		220,081	258,368
6. LONG-TERM FINANCE			
Secured			
From banking companies		1,053,045	658,036
Less: Current portion shown under current liabilities	6.1	(94,420)	(88,283)
		958,625	569,753

6.1 Details and movement are as follows:

	The Bank of Punjab Term Finance	Bank Alfalah Limited			United Bank Limited Term Finance	Faysal Bank Limited Diminishing Musharaka	2022 Total	2021 Total
		Term Finance 1	Term Finance 2	Term Finance 3				
		(Rupees in '000)						
Balance at July 01	179,846	207,516	83,226	-	117,448	70,000	658,036	540,720
Obtained during the year	-	-	-	483,293	-	-	483,293	154,535
	179,846	207,516	83,226	483,293	117,448	70,000	1,141,329	695,255
Repaid during the year	-	(31,739)	-	-	(16,545)	(40,000)	(88,284)	(37,219)
	179,846	175,777	83,226	483,293	100,903	30,000	1,053,045	658,036
Payable within one year	(10,934)	(31,739)	(5,202)	-	(16,545)	(30,000)	(94,420)	(88,283)
Balance at June 30	168,912	144,038	78,024	483,293	84,358	-	958,625	569,753
Mark up rate (per annum)	SBP rate + 80 bps (June 2021: SBP rate + 80 bps)	SBP rate + 75 bps (June 2021: SBP rate + 75 bps)	SBP rate + 150 bps (June 2021: SBP rate + 150 bps)	SBP rate + 130 bps (June 2021: N/A)	SBP rate + 50 bps (June 2021: SBP rate + 50 bps)	SBP rate + (200 bps - 250 bps) (June 2021: SBP rate 200 bps- 250 bps)		
Installment repayable	Bi-annually Quarterly	Bi-annually Quarterly	Bi-annually Quarterly	Bi-annually Quarterly	Quarterly	Quarterly		
Mark up payable	10 years	10 years	10 years	10 years	10 years	2.5 years		
Loan period	2 year from last drawn date	2 year from last drawn date	2 year from last drawn date	2 year from last drawn date	2 year from last drawn date	6 months from last drawn date		
Grace period								
Sub-note	6.2	6.3	6.3	6.3	6.4	6.5		

- 6.2 The loan is secured by way of first pari passu hypothecation charge over present and future fixed assets of the Company (including land, building, plant and machinery) for Rs. 253 million with 25% margin.
- 6.3 The loan is secured by way of first pari passu charge over fixed assets of the Company (including land, building, plant and machinery) with 25% margin for an amount of Rs. 1,121 million.
- 6.4 The loan is secured by way of first pari passu charge over plant and machinery of the Company for an amount of Rs. 177 million.
- 6.5 This represents loan obtained under SBP Islamic Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) offered by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facility has an aggregate sanctioned limit of Rs. 80 million. The facility is secured against first pari passu hypothecation and mortgage charge over fixed assets (including land and building) and over stock and book debts for Rs. 80 million with 25% margin.

	Note	2022 ----- (Rupees in '000) -----	2021
7. DEFERRED LIABILITIES			
Staff gratuity	7.1	104,336	88,375
Deferred taxation	7.2	82,682	70,378
		187,018	158,753
7.1 Staff gratuity			
Liability recognized in the statement of financial position		104,336	88,375
7.1.1 Movement in liability during the year			
Balance as at July 01		88,375	79,547
Charge for the year	7.1.3	22,768	19,745
Remeasurement loss / (gain) recognized in statement of Comprehensive income	7.1.4	4,243	1,124
Payments made during the year		(11,050)	(12,041)
Balance as at June 30		104,336	88,375
7.1.2 Changes in present value of defined benefit obligation			
Present value of defined benefit obligation on July 1		88,375	79,547
Current service cost for the year	7.1.3	14,483	13,495
Interest cost for the year	7.1.3	8,285	6,250
Benefits paid during the year		(11,050)	(12,041)
Actuarial losses for the year	7.1.4	4,243	1,124
Present value of defined benefit obligation on June 30		104,336	88,375
7.1.3 Expense recognized in statement of profit or loss			
Current service cost		14,483	13,495
Interest cost		8,285	6,250
		22,768	19,745

Note 2022 2021
----- (Rupees in '000) -----

7.1.4 Remeasurement losses / (gains) recognized in statement of Comprehensive income

Actuarial losses / (gains) for the year		
Changes in financial assumptions	814	349
Experience adjustments	3,429	775
	<u>4,243</u>	<u>1,124</u>

7.1.5 The principal assumptions used in the actuarial valuations carried out as of June 30, 2022 using the 'Projected Unit Credit' method, are as follows:

	2022	2021
Discount rate per annum %	13.25	10.00
Expected annum rate of increase in future salaries %	12.25	9.00
Expected average remaining working lives	7 years	6 years
Expected mortality rate	SLIC (2001-2005)	SLIC (2001-2005)
	Setback 1 year	Setback 1 year
Expected withdrawal rate	Age based	Age based

7.1.6 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2022		
	Increase / (decrease) in defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
Discount rate	1%	(6,069)	6,812
Salary increase rate	1%	7,011	(6,356)
	2021		
	Increase / (decrease) in defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
Discount rate	1%	(5,401)	6,085
Salary increase rate	1%	6,271	(5,668)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognized within the statement of financial position.

7.1.7 The Scheme exposes the Company to the actuarial risks such as:

Salary risk

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risk

The risk that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Longevity risk

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

7.1.8 Expected gratuity expense for the year ending June 30, 2023 is Rs. 29.02 million.

7.1.9 The weighted average duration of the defined benefit obligation for the year ended June 30, 2022 is 6 years (2021: 6 years).

7.2 Deferred taxation

**Movement for the year ended
June 30, 2022**

Deferred tax liabilities on taxable temporary differences arising in respect of:

- property, plant and equipment
- surplus on revaluation of plant and machinery

	Opening balance	Recognized in statement of profit or loss	Recognized in statement of comprehensive income	Closing balance
	----- (Rupees in '000) -----			
	61,843	17,523	-	79,366
	37,790	(5,635)	2,368	34,523
	<u>99,633</u>	<u>11,888</u>	<u>2,368</u>	<u>113,889</u>

Deferred tax assets on deductible temporary differences arising in respect of:

- staff gratuity
- provision for doubtful debts
- unadjusted minimum tax u/s 113 (note 7.2.1)

	(12,049)	(2,205)	(575)	(14,829)
	(10,927)	(685)	-	(11,612)
	(6,279)	1,513	-	(4,766)
	<u>(29,255)</u>	<u>(1,377)</u>	<u>(575)</u>	<u>(31,207)</u>
	<u>70,378</u>	<u>10,511</u>	<u>1,793</u>	<u>82,682</u>

Movement for the year ended June 30, 2021

Deferred tax liabilities on taxable temporary differences arising in respect of:

- property, plant and equipment
- surplus on revaluation of plant and machinery

	53,398	8,445	-	61,843
	8,832	(2,012)	30,970	37,790
	<u>62,230</u>	<u>6,433</u>	<u>30,970</u>	<u>99,633</u>

Deferred tax assets on deductible temporary differences arising in respect of:

- staff gratuity
- provision for doubtful debts
- unadjusted minimum tax u/s 113 (note 7.2.1)

	(10,492)	(1,413)	(144)	(12,049)
	(10,519)	(408)	-	(10,927)
	(9,597)	3,318	-	(6,279)
	<u>(30,608)</u>	<u>1,497</u>	<u>(144)</u>	<u>(29,255)</u>
	<u>31,622</u>	<u>7,930</u>	<u>30,826</u>	<u>70,378</u>

7.2.1 The deferred tax asset recognised in the financial statements represents the management's best estimate of the potential benefit which is expected to be realized in the future years in the form of reduced tax liability as the Company would be able to set off the tax liability in those years against minimum tax against the taxable profits of future years.

	Note	2022 ----- (Rupees in '000) -----	2021
8. TRADE AND OTHER PAYABLES			
Creditors		690,432	337,650
Bills payable		22,096	86,457
Accrued liabilities	8.1 & 8.2	186,807	151,103
Leave encashment	8.3	5,026	6,046
Due to an associated undertaking	8.4	-	1,146
Workers' Profit Participation Fund	8.5	21,575	15,443
Workers' Welfare Fund		21,506	13,307
Retention payable		1,192	1,890
Sales tax payable		171	8,859
Others		7,019	6,344
		955,824	628,245

8.1 This includes amount payable to Sui Northern Gas Pipelines Limited (SNGPL) in respect of Gas Infrastructure Development Cess (GIDC). The Federal Government issued GIDC Acts in the years 2011, 2014 and 2015. All GIDC Acts have been subject of thorough debate and consideration at Honorable High Courts of the Country as well as the Supreme Court of Pakistan (SCP).

On August 12, 2020, the SCP issued its verdict and held that "the levy imposed under GAS Infrastructure Development Cess Act, 2015 (the Act) is in accordance with the Provisions of the Constitution". The Supreme Court also held that "the Provisions of Section 8 of the Act, which give retrospective effect to the charge and recovery of GIDC levied from the year 2011 are also declared to be valid being within the legislative competence of the Parliament." However, since the Company is an industrial concern and it did not pass on the burden of GIDC to its consumers prior to the GIDC Act, 2015 (or even thereafter), management believes that the Company is entitled to the exemption under the first proviso to Section 8(2) of the GIDC Act, 2015 from payment of the GIDC levied under the GIDC Act, 2011 and GIDC Ordinance, 2014. As such, arrears due from the Company may only include amounts levied under the GIDC Act, 2015 from the date of its commencement, i.e., May 22, 2015.

Subsequent to the Order passed by the Honorable SCP on August 13, 2020, SNGPL issued bills to the industry, including the Company, claiming arrears of first Instalment in deference to the said Judgement of the SCP. The bills of arrears were calculated for monthly instalment on the basis of entire payable amount from 2011 to July 2020 by charging Cess at the higher rate of tariff applicable to Captive Connections. Further, the implication of Section 8 of the said Act, 2015 was not taken into consideration whereby it was provided that the industry, which has not collected the Cess from the Customers prior to 2015 shall not be liable to the payment of GIDC for the said period from 2011 to 2015. Accordingly, during the year ended June 30, 2021, a writ petition was filed by All Pakistan Textile Mills Association (APTMA) (where the Company is also a party to the petition) before Honorable Lahore High Court (LHC) against imposition of GIDC Act 2015 and the recovery of Cess from December 2011 to May 2015. Further, during the year ended June 30, 2021, SNGPL started billing for GIDC to the Company against which certain payments have been made by the Company based on the order issued by Honorable Lahore High Court against the aforementioned writ petition. Pursuant to the order, Lahore High Court restrained SNGPL from charging the Cess at the higher tariff rate of Captive Connection and directed to issue revised bill calculated at the rate applicable to industrial connection and ordered the Companies to make payment based on industrial tariff and for the difference between the amount charged to industrial consumers and captive power consumers, post-dated cheques be issued. Accordingly, the Company made certain payments at tariff rate that is applicable to industrial consumers and also issued post-dated cheques for the differential amount in favour of SNGPL. Further, pursuant to the order of the Lahore High Court, the payment for the period from 2011 to 2015 was also suspended in view of the implication of the said provision of law.

On September 27, 2021, the Honorable Lahore High Court issued a judgment on writ petition No. 42716 / 2020 whereby it was concluded that all the parties to the petition (including the Company) fall under the category of Industrial Consumers rather than Captive Power Plant and shall remain liable to the tariff applicable to Industrial Consumers.

Further, during the year, the Company filed an appeal before the Honorable High Court of Sindh (SHC) on the ground that no burden of GIDC had been passed to its customers / clients and thus the Company is not liable to pay GIDC under GIDC Act 2015. The SHC granted stay order on August 31, 2021 against recovery of GIDC payable by the Company till the finalization of matter by SHC. Therefore, the Company has made payments of Rs. 4.06 million for GIDC Cess till August 2021. The matter is currently pending in the SHC. However, as a matter of abundant caution and without prejudice to the suits filed, the Company has made aggregate provision of Rs. 18.384 million (2021: Rs. 22.448 million) in respect of GIDC up to June 30, 2022.

- 8.2** In June 2017, Oil and Gas Regulatory Authority (OGRA) revised the RLNG tariff retrospectively. Based on retrospective tariff determination, the Company received demand in respect of RLNG tariff arrears. In view of this development, the All Pakistan Textile Mills Association (APTMA) (where the Company is also a party to the petition) filed a law suit in Lahore High Court against charge of RLNG tariff arrears. However, management on prudent basis has recognized provision of Rs. 27.026 million (2020: Rs. 27.026 million) in this respect, which is included in accrued liabilities.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
8.3 Leave encashment			
Balance as at July 01		6,046	5,862
Provision during the year		4,402	6,291
Paid during the year		(5,422)	(6,107)
Balance as at June 30		5,026	6,046

- 8.4** This represented payable to Shahnawaz (Private) Limited, a related party, on account of software maintenance charges, computer supplied and office facility charges.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
8.5 Workers' Profit Participation Fund			
Balance as at July 01		15,443	6,074
Interest on funds utilized in the Company's business	27	1,569	344
		17,012	6,418
Payments made during the year		(17,012)	(6,418)
Allocation for the year	26	21,575	15,443
Balance as at June 30		21,575	15,443

9. INTEREST ACCRUED

Interest accrued on:

- Long-term finance	8,473	6,394
- Running finance	17,131	2,676
- Musharaka finance	6,661	370
	32,265	9,440

	Note	2022 ----- (Rupees in '000) -----	2021
10. SHORT-TERM BORROWINGS			
Banking companies- secured			
Running finances under markup arrangement	10.1	714,745	188,282
Musharaka finance	10.2	198,223	109,959
		<u>912,968</u>	<u>298,241</u>
10.1 The Company can avail finance facilities from various banks aggregating to Rs. 1,020 million (2021: Rs. 970 million). The unavailed facilities as at year end were Rs. 305.25 million (2021: Rs. 782 million). The facilities are secured by hypothecation of stocks and book debts. These are subject to mark-up ranging from 1 to 3 months KIBOR plus 0.35% to 1.25% per annum (2021: KIBOR plus 0.35% to 1.25% per annum).			
10.2 The Company can avail finance facility under musharakah of Rs. 200 million (2021: Rs. 200 million). The unavailed facility as at year end was Rs. 1.77 million (2021: Rs. 90 million). This finance facility is secured by fixed pari passu hypothecation of stocks and receivables with 25% margin. These are subject to mark-up rate of 1 month KIBOR plus 0.65% per annum (2021: 1 month KIBOR plus 0.65% per annum).			
	Note	2022 ----- (Rupees in '000) -----	2021
11. CONTINGENCIES AND COMMITMENTS			
Contingencies			
Guarantees issued by banks on behalf of the Company in favor of Sui Northern Gas Pipelines Limited (SNGPL)			
		<u>36,843</u>	<u>36,843</u>
Tax contingencies have been disclosed in note 29 to the financial statements.			
11.1 Commitments			
- Capital expenditure		24,856	453,933
- Raw material		22,096	205,903
- Spare parts		-	11,893
12. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	12.1	1,726,808	1,406,598
Capital work in progress	12.6	33,871	2,838
		<u>1,760,679</u>	<u>1,409,436</u>



12.1 Operating fixed assets

Year ended June 30, 2022

As at July 01, 2021

(Rupees in '000)											
Year ended June 30, 2022											
As at July 01, 2021											
Cost / revalued amount	31,121	222,296	35,952	21,007	2,634,700	12,978	7,868	7,812	47,011	80	3,020,825
Accumulated depreciation	-	(141,548)	(28,309)	(10,602)	(1,394,447)	(6,586)	(3,783)	(5,306)	(23,571)	(75)	(1,614,227)
Net book value	31,121	80,748	7,643	10,405	1,240,253	6,392	4,085	2,506	23,440	5	1,406,598
Additions / transfers from CWIP	-	-	-	-	518,304	195	1,074	517	3,860	-	523,950
Disposals	-	-	-	-	(222,551)	-	(72)	-	(2,482)	-	(225,105)
Accumulated depreciation on disposals	-	-	-	-	170,785	-	28	-	2,300	-	173,113
Write off	-	-	-	-	-	(27)	(194)	(49)	-	-	(270)
Accumulated depreciation on write off	-	-	-	-	-	7	170	33	-	-	210
Revaluation during the year	-	-	-	-	-	-	-	-	-	-	-
- revalued amount	-	-	-	-	-	-	-	-	-	-	-
- accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(8,075)	(764)	(520)	(135,396)	(649)	(454)	(888)	(4,942)	-	(151,688)
Closing net book value	31,121	72,673	6,879	9,885	1,571,395	5,918	4,637	2,119	22,176	5	1,726,808
As at June 30, 2022											
Cost / revalued amount	31,121	222,296	35,952	21,007	2,930,453	13,146	8,676	8,280	48,389	80	3,319,400
Accumulated depreciation	-	(149,623)	(29,073)	(11,122)	(1,359,058)	(7,228)	(4,039)	(6,161)	(26,213)	(75)	(1,592,592)
Net book value	31,121	72,673	6,879	9,885	1,571,395	5,918	4,637	2,119	22,176	5	1,726,808
Depreciation rate	-	10%	10%	5%	10%	10%	10%	30%	20%	10%	



Buildings on freehold land

	Freehold land	Mills building	Labour colony	Marketing office and others	Plant and machinery *	Furniture and fixtures	Equipment and installations	Computer equipment	Vehicles	Others - arms	Total
Year ended June 30, 2021	31,121	207,292	35,952	20,617	1,834,839	13,282	8,470	8,166	34,310	80	2,194,129
As at July 01, 2020	-	-	(27,460)	(10,073)	(1,053,751)	(6,099)	(3,915)	(5,792)	(22,160)	(75)	(1,262,471)
Net book value	31,121	74,146	8,492	10,544	781,088	7,183	4,555	2,374	12,150	5	931,658
Additions / transfers from CWIP	-	15,004	-	390	329,272	7	244	1,012	15,378	-	361,307
Disposals	-	-	-	-	(26,527)	-	(170)	-	(2,677)	-	(29,374)
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-
Write off	-	-	-	-	24,128	-	46	-	2,280	-	26,454
Accumulated depreciation on write off	-	-	-	-	-	(311)	(676)	(1,366)	-	-	(2,353)
Revaluation during the year	-	-	-	-	-	231	544	1,307	-	-	2,082
- revalued amount	-	-	-	-	497,116	-	-	-	-	-	497,116
- accumulated depreciation	-	-	-	-	(257,084)	-	-	-	-	-	(257,084)
Depreciation charge for the year	-	(8,402)	(849)	(529)	(107,740)	(718)	(458)	(821)	(3,691)	-	(123,208)
Closing net book value	31,121	80,748	7,643	10,405	1,240,253	6,392	4,085	2,506	23,440	5	1,406,598

As at June 30, 2021

Cost / revalued amount	31,121	222,296	35,952	21,007	2,634,700	12,978	7,868	7,812	47,011	80	3,020,825
Accumulated depreciation	-	(141,548)	(28,309)	(10,602)	(1,394,447)	(6,586)	(3,783)	(5,306)	(23,571)	(75)	(1,614,227)
Net book value	31,121	80,748	7,643	10,405	1,240,253	6,392	4,085	2,506	23,440	5	1,406,598
Depreciation rate	-	10%	10%	5%	10%	10%	10%	30%	20%	10%	

* Carried at revalued amount.

12.1.1 Details of assets sold, having net book value in excess of Rs. 500,000 where the aggregate book value of class of assets exceeds Rs. 5,000,000 are as follows:

Description	Cost / revalued amount	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Relationship of purchaser with Company	Particulars of purchaser
(Rupees in '000)								
Plant and machinery								
Looms-340 CM	31,692	24,301	7,391	6,925	(466)	Negotiation	None	Akbar Ali Weaving Factory
Looms-190 CM	12,061	9,248	2,813	3,000	187	Negotiation	None	Akbar Ali Weaving Factory
Looms-340 CM	21,061	16,134	4,927	4,617	(310)	Negotiation	None	Ganitex Industries
Looms-190 CM	16,030	12,280	3,750	4,000	250	Negotiation	None	Ganitex Industries
Looms-340 CM	39,618	4,101	1,210	1,154	(56)	Negotiation	None	Ganitex Industries
Looms-190 CM	19,809	30,243	9,375	10,000	625	Negotiation	None	Falcon
Looms-190 CM		15,121	4,688	5,000	312	Negotiation	None	Aqsa Weaving Factory
Looms-190 CM		6,049	1,875	2,000	125	Negotiation	None	ATS Fabrics
Looms-340 CM	26,556	20,503	6,053	5,771	(282)	Negotiation	None	ATS Fabrics
Looms-340 CM	42,489	32,805	9,684	9,233	(451)	Negotiation	None	Kamran Industries
	222,551	170,785	51,766	51,700	(66)			

	Note	2022 ----- (Rupees in '000) -----	2021 -----
12.2 The depreciation charge for the year has been allocated as follows:			
Cost of goods sold	23	144,317	117,078
Distribution expenses	24	437	442
Administrative expenses	25	6,934	5,688
		151,688	123,208

12.3 The Company had its plant and machinery revalued by independent valuer M/s Asif Associates (Private) Limited on February 28, 2021 on the basis of depreciated replacement value. The revaluation surplus, net of deferred tax, is recognized in statement of comprehensive income and accumulated in equity under the heading of 'Surplus on revaluation of plant and machinery'. The forced sale value of plant and machinery based on valuation conducted in February 28, 2021 was Rs. 1,026 million.

An amount equal to incremental depreciation, net of deferred tax, for the year is transferred from "Surplus on revaluation of plant and machinery" to "Unappropriated profit" for recording realization of surplus to the extent of incremental depreciation, net of deferred tax, charged during the year.

The Company had its plant and machinery revalued by independent valuers M/s Minhas Associates, Projects (Private) Limited, Joseph Lobo (Private) Limited and Asif Associates (Private) Limited in February 2003, March 2008, June 2013, February 2015, February 2018 and February 2021.

12.4 Had there been no revaluation, the carrying amount of the plant and machinery would have been as follows:

	2022 ----- (Rupees in '000) -----	2021 -----
Cost	2,274,230	1,947,708
Accumulated depreciation	(957,439)	(1,003,613)
Written down value	1,316,791	944,095

12.5 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Total Area (in Kanals)	Usage of immovable property
46 KM. Lahore/Multan Road, Chunian Industrial Estate, Bhai Pheru, Distt. Kasur, Punjab	189.45	Manufacturing facility and Labour Colony
27-C, Abdalian Cooperative Housing Society Limited, Opposite Expo Center, Lahore, Punjab.	1.5	Marketing Office

12.6 Capital work in progress

	Vehicles	Civil work	Plant and machinery	Total
	----- (Rupees in '000) -----			
As at July 1, 2020	3,233	12,001	205,283	220,517
Additions	9,580	3,393	123,042	136,015
Transferred to operating fixed assets	(12,813)	(15,394)	(325,487)	(353,694)
As at June 30, 2021	-	-	2,838	2,838
Additions	3,860	31,877	514,521	550,258
Transferred to operating fixed assets	(3,860)	-	(515,365)	(519,225)
As at June 30, 2022	-	31,877	1,994	33,871

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
13. LONG-TERM LOANS			
Considered good - secured			
Loan to employees		799	762
Less: Recoverable within one year shown			
under current assets	18	(275)	(248)
	13.1	<u>524</u>	<u>514</u>

13.1 Reconciliation of carrying amount of long term loans given is as follows:

Balance at July 1,	762	925
Disbursements during the year	715	450
	<u>1,477</u>	<u>1,375</u>
Received during the year	(678)	(613)
Balance at June 30,	799	762
Current portion of long term loans	(275)	(248)
	<u>524</u>	<u>514</u>

13.2 These are non-interest bearing loans given for miscellaneous purposes and are recoverable in 60 equal monthly installments. These loans are secured against gratuity.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
14. LONG-TERM DEPOSITS			
Security deposits against:			
Utilities	14.1	33,113	33,083
Others		25	25
		<u>33,138</u>	<u>33,108</u>

14.1 These include deposits to utility companies mainly to Sui Northern Gas Pipelines Limited amounting to Rs. 27.297 (2021: Rs. 27.297) million.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
15. STORES, SPARES AND LOOSE TOOLS			
Stores		29,186	29,078
Spares		13,311	13,730
Loose tools		3,866	3,645
	23.2	<u>46,363</u>	<u>46,453</u>
Provision made during the year		823	882
Written off during the year	26	(823)	(882)
		<u>-</u>	<u>-</u>
Balance as at June 30		<u>46,363</u>	<u>46,453</u>

	Note	2022 ----- (Rupees in '000) -----	2021
16. STOCK-IN-TRADE			
Raw and packing materials			
in hand	23.1	785,998	446,272
in transit		22,543	104,712
Work-in-process	23	119,376	95,394
Finished goods, including goods-in-transit	16.1, 16.2 & 23	873,644	370,180
		1,801,561	1,016,558
Provision for obsolete raw material			
Provision made during the year	23	254	267
Written off during the year		(254)	(267)
Balance as at June 30		-	-
		1,801,561	1,016,558

16.1 This includes finished goods in transit amounting to Rs. 5.97 million (2021: Rs. 58.27 million).

16.2 This includes items costing Rs. 51.17 million (2021: Rs. 11.43 million) valued at net realizable value of Rs. 14.57 million (2021: Rs. 3.33 million).

	Note	2022 ----- (Rupees in '000) -----	2021
17. TRADE DEBTS			
Secured - considered good			
Export	17.1 & 17.2	287,775	126,434
Local	17.1	53,939	11,990
Unsecured - considered good			
Local	17.3	655,596	509,145
Unsecured - considered doubtful			
Doubtful debts		(85,627)	85,627
Provision for doubtful debts		85,627	(85,627)
		-	-
		997,310	647,569

17.1 These are secured against letters of credit in favor of the Company.

17.2 The maximum aggregate amount due from Lionsmill General Trading LLC (related party) at the end of any month during the year was Rs. 3.289 million (2021: Rs. 13.719 million). However, amount due from this party at the end of the year is Rs. Nil (2021: Rs. Nil).

17.3 The aging of unimpaired trade debts is disclosed in note 35.4.

	Note	2022 ----- (Rupees in '000) -----	2021
18. LOANS AND ADVANCES			
Advances - considered good			
Employees		339	315
Suppliers and contractors		3,104	4,684
		3,443	4,999
Current portion of long-term loans	13	275	248
		3,718	5,247
19. TRADE DEPOSITS AND PREPAYMENTS			
Trade deposits against container		388	187
Prepayments			
Subscription		1,810	1,910
Insurance		146	130
		1,956	2,040
		2,344	2,227
20. OTHER RECEIVABLES			
Considered good			
Export rebate		3,490	3,357
Others		-	60
		3,490	3,417
21. CASH AND BANK BALANCES			
Cash at bank - current accounts	21.1	16,800	50,047
Cash in hand		364	373
		17,164	50,420
<p>21.1 Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the State Bank of Pakistan. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the banks, management has assessed that there is no impairment and has not recorded any loss allowances on these balances.</p>			

	Note	2022 ----- (Rupees in '000) -----	2021 -----
22. SALES - NET			
Export	22.1	1,375,840	819,773
Indirect export		3,684,169	2,097,013
Local		3,491,872	2,762,803
		8,551,881	5,679,589
Export rebate		537	213
Waste sales		18,277	13,136
		8,570,695	5,692,938
Commission			
- Local		(32,498)	(29,119)
- Export		(37,382)	(18,289)
		(69,880)	(47,408)
Sales tax		(1,045,329)	(708,036)
	22.2	7,455,486	4,937,494

22.1 It includes sales made to related parties, i.e., Lionsmill General Trading LLC amounting to Rs. 11.66 million (2021: Rs. 66.04 million).

22.2 It includes sales made to three major customers exceeding 53 percent (2021: exceeding 46 percent) of the aggregate net sales during the year, amounting to Rs. 3.952 billion (2021: Rs. 2.28 billion).

	Note	2022 ----- (Rupees in '000) -----	2021 -----
23. COST OF GOODS SOLD			
Raw and packing materials	23.1	6,318,860	3,662,398
Stores and spares	23.2	62,730	47,109
Manufacturing expenses			
Salaries, wages and benefits	23.3	242,786	219,812
Directors' remuneration	33	9,735	6,348
Fuel and power		444,990	315,812
Repairs and maintenance		10,962	7,980
Insurance		8,494	7,664
Depreciation	12.2	144,317	117,078
Raw material written off	16	254	267
Others		874	1,609
		7,244,002	4,386,077
Work-in-process			
Opening stock		95,394	46,464
Closing stock	16	(119,376)	(95,394)
		(23,982)	(48,930)
Cost of goods manufactured		7,220,020	4,337,147
Finished goods			
Opening stock		370,180	416,555
Closing stock	16	(873,644)	(370,180)
		(503,464)	46,375
		6,716,556	4,383,522
Outside processing charges		5,949	3,707
		6,722,505	4,387,229

	Note	2022 ----- (Rupees in '000) -----	2021
23.1 Raw and packing materials consumed			
Opening stock		446,271	203,289
Purchases		6,658,587	3,905,381
		7,104,858	4,108,670
Closing stock	16	(785,998)	(446,272)
		6,318,860	3,662,398

23.2 Stores and spares consumed			
Opening stock		46,453	44,996
Purchases and related expenses		62,640	48,566
		109,093	93,562
Closing stock	15	(46,363)	(46,453)
		62,730	47,109

23.3 Salaries, wages and benefits include Rs. 13.324 million (2021: Rs. 11.587 million) in respect of staff retirement benefit.

	Note	2022 ----- (Rupees in '000) -----	2021
24. DISTRIBUTION EXPENSES			
Export related			
Ocean freight		61,833	29,717
Insurance		605	553
Forwarding		65	66
Export duty		3,953	2,124
Postage and courier		78	60
Fees and subscription		294	83
Travelling and conveyance		432	39
Other		598	650
		67,858	33,292
Local			
Salaries and benefits	24.1	32,170	28,059
Local freight		7,790	3,748
Travelling and conveyance		702	592
Sales promotion		486	498
Marketing office		2,118	2,773
Depreciation	12.2	437	442
Insurance		48	45
Claim from buyers		270	-
Other		377	318
		44,398	36,475
		112,256	69,767

24.1 Salaries and benefits include Rs. 4.894 million (2021: Rs. 3.474 million) in respect of staff retirement benefit.

	Note	2022 ----- (Rupees in '000) -----	2021
25. ADMINISTRATIVE EXPENSES			
Salaries and benefits	25.1	70,634	64,075
Director's remuneration	33	16,170	16,790
Travelling and conveyance		1,059	741
Vehicles running and maintenance		6,999	4,856
Telephone and fax		329	644
Postage and courier		245	272
Printing and stationery		1,954	1,676
Computer expenses		4,562	2,278
Rent, rates and taxes		2,560	2,538
Repairs and maintenance		637	643
Insurance		1,044	729
Auditor's remuneration	25.3	1,237	968
Legal and professional		2,302	3,180
Advertising		202	147
Entertainment		284	341
Fees and subscription		5,244	3,677
Donations	25.2	-	895
Depreciation	12.2	6,934	5,688
Share registrar services		274	236
Other		3,017	2,575
		125,687	112,949

25.1 Salaries and benefits include Rs. 4.551 million (2021: Rs. 4.683 million) in respect of staff retirement benefit.

25.2 None of the directors and their spouses had any interest in the donee's fund.

	Note	2022 ----- (Rupees in '000) -----	2021
25.3 Auditor's remuneration			
Audit fee		850	650
Half yearly review fee		150	125
Review of statement of compliance and other certifications		125	105
Out of pocket expenses		112	88
		1,237	968

26. OTHER OPERATING EXPENSES

Workers' Profit Participation Fund	8.5	21,575	15,443
Workers Welfare Fund		8,199	5,868
Property, plant and equipment written off		60	271
Exchange loss		-	10,514
Stores and spares written off	15	823	882
		30,657	32,978

	Note	2022 ----- (Rupees in '000) -----	2021
27. FINANCE COST			
Mark-up on:			
Long-term finance		21,908	19,639
Running finance under markup arrangement		39,098	22,333
Musharaka finance		13,652	1,682
Discounting charges		8,350	-
Interest on Workers' Profit Participation Fund	8.5	1,569	344
Bank charges and commission		1,878	3,413
		86,455	47,411
28. OTHER INCOME			
Net income from trading	28.1	1,329	212
Exchange gain	28.2	22,017	-
Gain on disposal of property, plant and equipment		454	169
		23,800	381
28.1 Net income from trading			
Sales - Local		10,272	1,479
Cost - Purchases and related expenses		(8,943)	(1,267)
		1,329	212
28.2 It include unrealised gain amounting to Rs. 11.287 million.			
29. TAXATION			
Current			
- for the year		91,168	61,734
- for prior years		(2)	918
		91,166	62,652
Deferred	7.2	10,511	7,930
	29.1	101,677	70,582
29.1 Relationship between income tax expense and accounting profit:			
Profit before taxation		401,726	287,541
Tax rate %		29%	29%
Tax on accounting profit		116,501	83,387
Effect of income subject to final tax regime		(27,688)	(15,015)
Effect due to change in rate		512	105
Effect of Super Tax	29.5	8,699	-
Effect of prior year adjustment		(2)	918
Others		3,655	1,187
Tax charge for the year		101,677	70,582

- 29.2** The return of income for the tax year 2021, has been filed as per the provision of section 120 of the Income Tax Ordinance, 2001. Under this section when a complete return of income is filed with the Commissioner, it results in deemed assessment of taxable income / loss and tax payable / refundable on the date return is filed.
- 29.3** The Commissioner Inland Revenue, Zone-III, RTO, Lahore passed amended assessment orders under Section 122(5A) of the Income Tax Ordinance, 2001 pertaining to the tax years 2010, 2011 and 2013 raising additional demands of Rs. 65.22 million in aggregate. The Company filed appeals against the orders before Commissioner Inland Revenue (Appeals-III), Lahore who confirmed the orders passed by the Commissioner. The Company filed rectification applications under Section 221 of the Income tax Ordinance, 2001 and after allowing certain rectifications the remaining outstanding demand of Rs 46.55 million was adjusted by tax department against refund available to the Company. The Company also filed appeals for all three years before the Appellate Tribunal Inland Revenue, Lahore which was later transferred to LTU Karachi. The Honourable Appellate Tribunal Inland Revenue, Karachi has annulled the impugned orders passed by the learned Commissioner Inland Revenue, Lahore. No provision has been made in these financial statements as the management, based on the opinion of tax advisor, is confident that the ultimate outcome of these cases will be in favour of the Company.
- 29.4** The Company received amended assessment order under Section 122 (1) (5) of the Income Tax Ordinance, 2001 pertaining to the tax year 2014 raising additional demand of Rs. 246.972 million. The Company filed an appeal before the Commissioner Inland Revenue (Appeals-II), LTU, Karachi wherein the Commissioner Inland Revenue (Appeals-II), Karachi has disposed-off the impugned order passed by the assessing officer and remanded back the impugned order passed by the assessing officer. No provision has been made in these financial statements as management, based on the opinion of tax advisor, is confident that the ultimate outcome of the case will be in favour of the Company.
- 29.5** This represents provision made in accordance with section 4C 'Super Tax on high earning persons' introduced in the Ordinance through Finance Act, 2022 (the Act), whereby super tax has been imposed at varying rates for taxable income (as defined in the Act) exceeding Rs. 150 million.

		2022	2021
30. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation for the year	Rupees in '000	300,049	216,959
Weighted average number of ordinary shares in issue	Number	9,660,000	9,660,000
Earnings per share - basic and diluted	Rupees	31.06	22.46

- 30.1** There is no dilutive effect on the basic earnings per share of the Company.

31. CHANGES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Company's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	June 30, 2021	Financing cash inflows	Financing cash outflows	Non cash changes - Transfer current portion	June 30, 2022
	(Rupees in '000)				
Unclaimed dividend	15,155	-	(101,640)	111,090	24,605
	June 30, 2020				June 30, 2021
Unclaimed dividend	12,156	-	(35,642)	38,640	15,155

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
32. CASH AND CASH EQUIVALENTS			
Short-term borrowings - Running finances under markup arrangement	10	(912,968)	(298,241)
Cash and bank balances	21	17,164	50,420
		(895,804)	(247,821)

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	2022			2021		
	Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
	----- (Rupees in '000) -----					
Remuneration	5,040	5,199	22,976	5,040	3,049	16,973
Bonus	930	381	2,509	930	381	1,917
Retirement benefits	930	650	2,872	930	381	2,122
House rent	2,520	1,561	6,895	2,520	914	5,094
Ex-gratia	1,350	904	4,545	840	508	2,692
Medical	1,800	520	2,298	1,800	305	1,697
Utilities	1,800	520	2,298	1,800	305	1,697
Performance reward	-	-	-	-	250	1,180
Leave encashment	-	-	1,180	-	255	734
	14,370	9,735	45,573	13,860	6,348	34,106
Number of persons	1	1	10	1	1	7

33.1 In addition, the Chief Executive is provided with Company's owned and maintained car for personal and official use.

33.2 In addition, the Executive Director and Executives are provided with Company's owned and maintained cars for official use.

33.3 In addition to the above, fee paid to 8 (2021: 8) non-executive directors during the year amounted to Rs. 1.800 million (2021: Rs. 2.930 million) on account of meeting fee.

34. TRANSACTIONS WITH RELATED PARTIES

"The related parties comprise of associated undertakings, directors and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Amounts due from and to related parties have been disclosed in the notes to the financial statement as follows:

- Due to associated undertakings under payables in note 8; and

- Due from other related party under trade debts in note 17.

Other significant transactions with related parties are as follows:

Relationship with the Company	% of Shareholding / Other basis of Relationship	Name	Nature of transactions	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
Associated undertakings	3.62% / Common Directorship	Shahnawaz (Private) Limited	Computers, computer supplies and others purchases	733	740

Relationship with the Company	% of Shareholding / Other basis of Relationship	Name	Nature of transactions	2022 ----- (Rupees in '000) -----	2021
			Services received for office facility	2,812	2,792
			Software development charges	3,900	1,800
			Dividend paid	4,025	1,400
	11.9% / Common Directorship	Shahtaj Sugar Mills Limited	Dividend paid	13,225	4,600
	Nil / Common Directorship	Shezan International Limited	Purchase of goods	215	-
	Nil / Common Directorship	Information Systems Associates Limited	Website maintenance	61	53
Other related parties	Nil / Close family member	Lionsmill General Trading LLC	Sale of fabric	11,663	66,040
Directors			Dividend paid	30,844	10,728

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

35.1 Financial instruments by category

2022
----- (Rupees in '000) -----

Financial assets as per statement of financial position

Loans and receivables measured at amortized cost

Long-term loans	524	514
Long-term deposits	33,138	33,108
Trade debts	997,310	647,569
Loans and advances	614	563
Trade deposits	388	187
Cash and bank balances	17,164	50,420
	<u>1,049,138</u>	<u>732,361</u>

Financial liabilities as per statement of financial position

Financial liabilities measured at amortized cost

Long-term financing	1,053,045	658,036
Trade and other payables	912,572	590,637
Interest accrued	32,265	9,440
Short-term borrowings	912,968	298,241
Unclaimed dividend	24,605	15,155
	<u>2,935,455</u>	<u>1,571,509</u>

35.2 Financial risk factors

Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on internal controls set on different activities of the Company by the Board of Directors. These controls reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Board along with the Company's finance department oversees the management of the financial risks reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate procedures and that the financial risk are identified, measured and managed in accordance with the Company risk appetite.

The Company's principal financial liabilities comprise long-term finances, short-term borrowings, accrued markup/interest and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company's financial assets comprise of trade debts, loans and advances, trade deposits, other receivables, other financial assets and cash and bank balances that arise directly from its operations.

35.3 Market risk

Market risk is the risk that the value of cash flows of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and bank balances in foreign currency. The Company's exposure to foreign currency risk is as follows:

	June 30, 2022		
	USD	EURO	Total
	(Rupees in '000)		
Trade and other receivables	33,711	254,064	287,775
Trade and other payables	(22,096)	-	(22,096)
Net exposure	11,615	254,064	265,679

	June 30, 2021		
	USD	EURO	Total
	(Rupees in '000)		
Trade and other receivables	-	126,434	126,434
Trade and other payables	(57,962)	(28,495)	(86,457)
Net exposure	(57,962)	97,939	39,977

	Average rate		Reporting date rate	
	2022	2021	2022	2021
USD	173.47	158.04	204.17	157.80 / 158.30
Euro	196.22	188.42	213.59	188.12 / 188.71

At June 30, 2022, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar and Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 26.56 million (2021: Rs. 4 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar and Euro - denominated trade debts and trade payables.

(b) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term finance and short term borrowings. These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

Carrying amount	
2022	2021
----- (Rupees in '000) -----	

Variable rate instruments

Financial liabilities

- Short term borrowings

912,968	298,241
---------	---------

Cash flow sensitivity analysis for variable rate instrument

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit before tax for the year by Rs. 9.13 million (2021: Rs. 2.98 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2021.

Carrying amount	
2022	2021
----- (Rupees in '000) -----	

Fixed rate instruments

Financial liabilities - long term finances

Interest rate	
2022	2021
----- % -----	
2.75%	2.75%
2.50%	2.50%
2.80%	2.80%
2.30%	Nil
3.50%	3.50%
2 - 2.50%	2 - 2.50%

175,777	207,516
100,903	117,449
179,846	179,846
483,293	-
83,226	83,225
30,000	70,000
1,053,045	658,036

Net financial liabilities at fixed interest rates

Cash flow sensitivity analysis for fixed rate instrument

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect statement of profit or loss.

35.4 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Out of the total financial assets of Rs. 1,049.138 million (2021: Rs. 732.421 million), the financial assets which are subject to credit risk amounted to Rs. 1,048.774 million (2021: Rs. 732.048 million).

The Company is exposed to credit risk from its operating activities (primarily for trade debts and loans and advances) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating.

The analysis below summarises the credit quality of the Company's bank balances as at June 30, 2022:

Name	Balances held as at June 30, 2022	Latest available published rating as at June 30, 2022	Rating Agency
------	-----------------------------------	---	---------------

--(Rupees in '000)--

Bank balances

United Bank Limited	10	AA+	VIS
Bank Al-Falah	2,374	AA+	PACRA
Bank of Punjab	137	AA+	PACRA
Habib Bank Limited	13,355	AAA	VIS
Habib Metropolitan Bank Limited	924	AA+	PACRA

The analysis below summarises the credit quality of the Company's bank balances as at June 30, 2021:

Name	Balances held as at June 30, 2021	Latest available published rating as at June 30, 2021	Rating Agency
------	-----------------------------------	---	---------------

--(Rupees in '000)--

Bank balances

United Bank Limited	70	AAA	VIS
Bank Al-Falah Limited	28	AA+	VIS
Bank of Punjab	137	AA	PACRA
Faysal Bank Limited	120	AA+	VIS
Habib Bank Limited	45,232	AAA	VIS
MCB Bank Limited	3,717	AA	PACRA
Habib Metropolitan Bank Limited	744	AA+	PACRA

Credit risk related to trade debts

The Company's major credit exposure is from trade debts. The Company has adopted a policy of only dealing with creditworthy counterparties and majority of the transactions are made through post dated cheques. Further, the Company's credit exposure is continuously monitored and the aggregate value of transactions are spread amongst approved counterparties, and overdue counterparties are pursued efficiently by management for recovery. 34% (2021: 21%) of the credit exposure of the Company at year end is secured against letters of credit or other form of security.

Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate. The major credit exposure of the Company from its top 10 customers is 88.31% (2021: 84%) of the total trade receivables as at year end.

The Company has the policy to grant credit of 7 days to 120 days to its customers. The exposure of the Company in trade receivables, which are neither overdue nor impaired, is Rs. 757.096 million (2021: Rs. 536.78 million).

Trade debtors, which have crossed their credit days limits, amounting to Rs. 325.840 million (2021: Rs. 196.415 million) for which the Company has provided Rs. 85.627 million (2021: 85.627 million) and the remaining amounts are still considered recoverable.

The aging of such overdue but not impaired trade receivables is as follows:

	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
Less than 1 month	240,020	70,332
1 - 3 months	4	38,926
3 - 6 months	18	35
6 months - 1 year	55	25
1 - 3 years	116	1,470
	240,213	110,788
The aging of overdue and impaired trade receivables is as follows:		
Over 3 Years	85,627	85,627

35.5 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large customers by securing them against letters of credit.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and long-term loans. The Company has an un-availed aggregated short-term facilities of Rs. 305.25 million (2021: Rs. 872 million) which can be utilized to encounter unseen liquidity problems.

35.5.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	2022					
	Long-term finance	Short-term borrowings	Trade and other payables	Unclaimed Dividend	Interest accrued	Total
	----- (Rupees in '000) -----					
With in 1 year	121,065	912,968	912,572	24,605	32,265	2,003,475
1 - 5 years	746,800	-	-	-	-	746,800
More than 5 years	306,736	-	-	-	-	306,736
	1,174,601	912,968	912,572	24,605	32,265	2,750,275
	2021					
	Long-term finance	Short-term borrowings	Trade and other payables	Unclaimed Dividend	Interest accrued	Total
	----- (Rupees in '000) -----					
With in 1 year	132,712	298,241	590,637	15,155	9,440	1,046,185
1 - 5 years	535,282	-	-	-	-	535,282
More than 5 years	132,694	-	-	-	-	132,694
	800,688	298,241	590,637	15,155	9,440	1,714,161

36. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 'Fair value Measurement' defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

As at June 30, 2022, the Company does not have any assets which are tradable in an open market. The estimated fair values of all assets and liabilities are considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There are no transfers between the levels during the year.

- 36.1** There are no assets or liabilities to classify under above levels except the Company's plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's plant and machinery carried out as at February 28, 2021, were performed by M/s Asif Associates (Private) Limited (valuer), an independent valuer not related to the Company, using depreciated replacement cost method. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

Details of the Company's plant and machinery and information about the fair value hierarchy as at end of June 30, 2022 are as follows:

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Plant and machinery	-	-	1,571,395	1,571,395
	June 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Plant and machinery	-	-	1,240,253	1,240,253

37. CAPITAL RISK MANAGEMENT

The objectives of the Company when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for stakeholders, and to maintain a strong capital base to support the sustained development of its business.

The capital structure of the Company consists of share capital and reserves as well as debts of the Company. Share capital and reserves consist of share capital, reserves and unappropriated profit and debts consist of short-term borrowings and long-term financing. The Company manages its capital structure by monitoring return on total capital employed and makes adjustments to it in the light of changes in economic conditions and monitoring its gearing ratio. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders, issue new shares or adjust its debts. The Company's overall strategy is to reduce the gearing ratio gradually. The gearing ratio analysis is as follows:

	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
Total borrowings	1,966,013	956,277
Less: Cash and bank balances	(17,164)	(50,420)
Net debt	1,948,849	905,857
Total equity	1,766,340	1,583,417
Total capital employed	3,715,189	2,489,274
Gearing ratio	52%	36%

The Company is not subject to any externally imposed capital requirement.

38. OPERATING SEGMENT

- 38.1 These financial statements have been prepared on the basis of single reportable segment.
- 38.2 Revenue from sale of fabric represents 99.86% (2021: 99.97%) of total revenue whereas, remaining represents revenue from trading.
- 38.3 All non current assets of the Company as at June 30, 2022 are located in Pakistan.
- 38.4 81.7% (2021: 83.5%) of sales of fabric are local and indirect export whereas 18.3% (2021: 16.5%) of sales are export / foreign sales. All sales were made to external customers except one related party to which 0.2% (2021: 1.6%) of sales were made.
- 38.5 Revenue from three major customers of the Company represents 53% (2021: 46%) of total revenue of the Company.

	Note	2022	2021
39. PLANT CAPACITY AND ACTUAL PRODUCTION			
Number of looms installed		179	178
Number of looms worked		179	178
100% Plant capacity at 60 picks (Sq. Meters)		65,303,576	64,626,537
Actual production converted to 60 picks (Sq. Meters)	39.1	57,902,986	57,535,319
Shifts per day (12 hours shift)		2	2
Number of days worked during the year		365	365

- 39.1 Calculation of rated capacity is based on a fixed fabric width and looms speed. In actual these factors vary with the ever changing qualities under production. Further, 100% efficiency level is notional and in practice elusive. Hence, actual production figure is less than the rated capacity.

2022 2021

40. NUMBER OF PERSONS EMPLOYED

Number of employees at June 30	492	515
Average number of employees during the year	504	530

41. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

In their meeting held on September 28, 2022, the Board of Directors (the Board) of the Company have proposed a final cash dividend for the year ended June 30, 2022 of Rs. 13.00 per share (2021: cash dividend of Rs. 11.50 per share). In addition, the Board has proposed a transfer of Rs. 150,000,000 from Unappropriated Profit to General Reserve (2021: Rs. 85,000,000).

The Financial statements for the year ended June 30, 2022 do not include the effect of the final cash dividend nor the effect of the proposed transfer between reserves which will be accounted for in the financial statements for the year ending June 30, 2023.

42. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged, wherever necessary.


43. DATE OF AUTHORIZATION FOR ISSUE


These financial statements have been approved by the Board of Directors of the Company and authorized for issue on September 28, 2022 .

44. GENERAL

Figures have been rounded off to the nearest Thousand.


(M. Naeem)
Chief Executive


(Amir Ahmed)
Chief Financial Officer


(Muneer Nawaz)
Chairman



PROXY FORM

Please quote

Folio No./CDC A/C No.	Shares Held

I/We _____ of _____
in the district of _____ being a member of SHAHTAJ TEXTILE LIMITED
hereby appoint _____ of _____
as my/our proxy to vote for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held
on Friday, 28th October, 2022 and at any adjournment thereof.
As witnessed given under my/our hand(s) this _____ day of _____ 2022.

Witness Signature _____

Name: _____

C.N.I.C. No. _____

Member's Signature on
Applicable Revenue Stamp

Notes:

1. This form of Proxy must be deposited duly completed, at the company's Registered Office, not less than 48 hours before the meeting.
2. A Proxy of individual members must be a member of the Company.
3. In case of corporates the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted along with proxy form to the company.
4. Signature should agree with the specimen signature registered with the Company.
5. For CDC account holders and corporates in addition to the above following requirements have to be met:
 - i) Attested copy of C.N.I.C. or the passport of the beneficial owner shall be provided with proxy form.
 - ii) Proxy shall produce his/her original C.N.I.C. or original passport at the time of meeting.



پراکسی فارم

درج ذیل پُر کریں

تعداد حصص	فولیو/ CDC اکاؤنٹ نمبر

میں مسمیٰ / مسماۃ _____ ساکن _____

ضلع _____ بحیثیت ممبر شاہ تاج ٹیکسٹائل لمیٹڈ، مسمیٰ / مسماۃ _____ ساکن _____

کو بطور مختار (پراکسی) مقرر کرتا/ کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے تینتیسواں اجلاس عام جو بتاریخ 28 اکتوبر 2022ء بروز جمعہ منعقد ہو رہا ہے میں اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

مطلوبہ ریونیو بیلٹ چپال کر کے ممبر کے دستخط

دستخط گواہ: _____

نام: _____

قومی شناختی کارڈ نمبر: _____

تاریخ: _____

نوٹ:

- ۱۔ مکمل پُر شدہ پراکسی فارم کمپنی کے رجسٹرڈ آفس میں میٹنگ سے 48 گھنٹے قبل جمع کرایا جانا لازمی ہے۔
- ۲۔ تمام ممبران کے لئے ضروری ہے کہ جس کو پراکسی دیں وہ بھی کمپنی کا ممبر ہو۔
- ۳۔ کارپوریٹ ممبران کے لئے پراکسی فارم کے ساتھ پراکسی کے حق میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بمع نمونہ کے دستخط کا جمع کروایا جانا ضروری ہے۔
- ۴۔ دستخط کمپنی کے پاس پہلے سے محفوظ دستخطی نمونہ کے مطابق ہونے ضروری ہیں۔
- ۵۔ CDC میں اکاؤنٹ رکھنے والے اور کارپوریٹ ممبران کے لئے مندرجہ بالا کے علاوہ درج ذیل شرائط کو پورا کرنا بھی ضروری ہے:
 - i۔ پراکسی جس کے حق میں ہو اس کا شناختی کارڈ یا پاسپورٹ کی ایک تصدیق شدہ نقل پراکسی کے ساتھ لگائی جائے۔
 - ii۔ پراکسی جس کے حق میں ہو وہ اجلاس میں شریک ہوتے وقت اصل شناختی کارڈ/ پاسپورٹ پیش کرے۔

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